UCB SA

(incorporated in the Kingdom of Belgium with limited liability)

Public offer in Belgium and the Grand Duchy of Luxembourg

of an expected minimum EUR 150,000,000
5.75 per cent. Fixed Rate Bonds due 27 November 2014

Issue Price: 101.875 per cent

Issue Date: 27 November 2009

Subscription Period: from 26 October until 25 November 2009 included

MANAGERS

BNP PARIBAS FORTIS

KBC

ING

Listing and Offering Prospectus dated 23 October 2009

A11250830/2.25/23 Oct 2009

UCB SA intends to issue Bonds for an expected minimum amount of EUR 150,000,000. Interest on the Bonds is payable annually in arrear on the Interest Payment Dates falling on, or nearest to 27 November in each year, the first payment being on 2010, and the last payment being on 27 November 2014. A5 - 4.7

The denomination of the Bonds shall be EUR 1,000. The Bonds will be offered to the public in the Kingdom of Belgium and the Grand Duchy of Luxembourg.

This Prospectus has been approved on 23 October 2009 by the Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (the "**Luxembourg Act**"), for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"). The CSSF will notify the Prospectus to the Belgian Banking Finance and Insurance Commission (the "**CBFA**") together with a translation of the summary in French and Dutch and a certificate of approval from the CSSF in relation to the Prospectus. Application has also been made to the Luxembourg Stock Exchange for the Bonds to be listed on to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to the Bonds being "listed" (and all related references) shall mean that the Bonds have been listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. A5 – 6.1

The Bonds will be issued in dematerialised form under the Belgian Company Code (*Wetboek van Vennootschappen / Code des Sociétés*) (the "**Belgian Company Code**") and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the X/N securities and cash clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**Clearing System**"). Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds. Clearing System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**"). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg. A5 – 4.3

Unless otherwise stated, capitalised terms used in this Prospectus have the meanings set out in this Prospectus. Where reference is made to the "Conditions of the Bonds" or to the "Conditions" reference is made to the "Terms and Conditions of the Bonds".

An investment in the Bonds involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" on page 11.

RESPONSIBLE PERSONS

This listing and offering prospectus dated 23 October 2009 (the "**Prospectus**") is a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**") and the Luxembourg Act and for the purpose of giving information with regard to UCB SA, having its registered office at 60 Allée de la Recherche, 1070 Brussels, Belgium (the "**Issuer**") and its affiliates (the "**UCB Group**" or the "**Group**") and the expected minimum EUR 150,000,000 5.75 per cent Fixed Rate Bonds due 27 November 2014 (the "**Bonds**") which according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the Bonds and of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. The Issuer (the "**Responsible Persons**") accepts responsibility for the information contained in this Prospectus and for the translation of the summary of the Prospectus (the "**Summary**") in French and Dutch. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

A4 - 1.1
A4 - 1.2
A5 - 1.1
A5 - 1.2

PUBLIC OFFER IN THE KINGDOM OF BELGIUM AND THE GRAND DUCHY OF LUXEMBOURG

This Prospectus has been prepared in connection with a public offer of the Bonds in the Kingdom of Belgium and the Grand Duchy of Luxembourg (the "**Public Offer**"), and with the admission to trading of the Bonds on the regulated market of the Luxembourg Stock Exchange. The Issuer has requested the CSSF to passport the Prospectus to the CBFA and has provided the translation of the Summary in French and Dutch as required by the Belgian prospectus law of 16 June 2006[1] (the "**Prospectus Law**") for the purposes of the Public Offer. This Prospectus has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") other than offers in the Kingdom of Belgium and the Grand Duchy of Luxembourg (the "**Permitted Public Offer**"), will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus, other than the Permitted Public Offer, may only do so in circumstances in which no obligation arises for the Issuer or any of the Managers (as defined under the heading "Subscription and Sale") to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Managers have authorised, nor do they authorise, the making of any offer (other than Permitted Public Offer) of Bonds in circumstances in which an obligation arises for the Issuer or the Managers to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Propsectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is

[1] Loi relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés du 16 juin 2006/ Wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt van 16 juni 2006.

required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds.

For a description of further restrictions on offers and sales of Bonds and distribution of this Prospectus see "Subscription and Sale" below.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and any information or representation not so contained or inconsistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Managers and the Issuer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Bonds.

Save for the Issuer, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information in connection with the Issuer or the offering of the Bonds. No Manager accepts any liability, whether arising in tort or in contract or in any other event, in relation to the information contained or incorporated by reference in this Prospectus or any other information in connection with the Issuer, the offering of the Bonds or the distribution of the Bonds.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities laws and are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act). For a further description of certain restrictions on the offering and sale of the Bonds and on the distribution of this document, see "Subscription and Sale" below.

All references in this document to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

WARNING

The Prospectus has been prepared to provide information on the Public Offer. When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of the Issuer and the conditions of the Bonds, including, but not limited to, the associated benefits and risks, as well as the conditions of the Public Offer itself. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds.

The summaries and descriptions of legal provisions, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may in no circumstances be interpreted as investment, legal or tax advice for potential investors. They are urged to consult their own advisor, bookkeeper or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

In the event of important new developments, material errors or inaccuracies that could affect the assessment of the securities, and which occur or are identified between the time of the approval of the Prospectus and the final closure of the Public Offer, or, if applicable, the time at which trading on a regulated market commences, the Issuer will have a supplement to the Prospectus published containing this information. This supplement will be published in compliance with at least the same regulations as the Prospectus, and will be published on the websites of the Issuer, Fortis Bank NV/SA ("**BNP Paribas Fortis**"), ING Belgium SA/NV ("**ING**") and KBC Bank NV ("**KBC**"). The Issuer must ensure that this supplement is published as soon as possible after the occurrence of such new significant factor.

Investors who have already agreed to purchase or subscribe to securities before the publication of the supplement to the Prospectus, have the right to withdraw their agreement during a period of two working days commencing the day after the publication of the supplement.

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PART I: SUMMARY

*This summary must be read as an introduction to the listing and offering prospectus dated 23 October 2009 (the "**Prospectus**") and any decision to invest in the 5.75 per cent. fixed rate bonds due 27 November 2014 (the "**Bonds**") should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an "EEA State"), no civil liability will attach to the Responsible Persons (as defined on p. 3 of the Prospectus) in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Full version of this Prospectus is available on the website of the Issuer (www.ucb.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu). Where a claim relating to the information contained in this Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

Terms defined in "Terms and Conditions of the Bonds" below shall have the same meaning where used in this Summary.

1. BUSINESS DESCRIPTION OF THE ISSUER

A4 - 5.1

UCB S.A. is a Belgian corporation ("*naamloze vennootschap"/"société anonyme")* having its registered office at 60 Allée de la Recherche, 1070 Brussels, Belgium and registered with the register of legal persons ("*rechtspersonenregister"/"registre des personnes morales*") under enterprise number ("*ondernemingsnummer"/"numéro d'entreprise*") VAT-BE 0403.053.608 RLP Brussels.

UCB S.A. was incorporated on 26 May 1925. UCB's Ordinary Shares have been listed on the Belgian Stock Exchange (now Euronext Brussels) since incorporation.

The UCB Group is a global biopharmaceutical company, headquartered in Brussels. The UCB Group develops and markets human pharmaceutical products for the treatment of severe central nervous system (CNS) and immunology disorders.

The strategy of the UCB Group is driven by its ambition to form a leading global next generation biopharmaceutical company focused on the treatment of severe diseases. The UCB Group differentiates itself by focusing on a patient-driven approach to developing treatments for a range of severe CNS and immunology disorders.

The key marketed products of the UCB Group are Vimpat®, Neupro® and Keppra® (including Keppra®XR) for CNS diseases. For immunology, the key marketed product is Cimzia®. Other significant marketed products include Zyrtec®, Xyzal®, Tussionex®, venlafaxine, Nootropil®, Innovair® and MetadateCD™.

The currently marketed products of the UCB Group are supplemented by a research and development pipeline focusing on the following CNS diseases: epilepsy, diabetic neuropathic pain, restless legs syndrome and Parkinson's disease. Research and development is also carried out in the following immunology disorders: Crohn's disease, rheumatoid arthritis, systemic lupus erythematosus, bone loss disorders and other autoimmune diseases. Through its partnership with Pfizer, UCB also participates in the over-active bladder disease area. The UCB Group believes that the concentration of its research and development efforts on a limited range of severe diseases increases the likelihood of significant, high-

value innovations. The UCB Group invested €767 million in research and development expenditure in 2008. For the six months ending 30 June 2009 research and development expenditure of the UCB Group amounted to €323 million.

The principal geographic markets of the UCB Group are: Europe with 47% of sales, the United States with 40% of sales, and the rest of the world contributing the remaining 13% of sales of the UCB Group in 2008. Total net sales were of €3,027 million.

Employing 9,780 people and operating in more than forty countries, the UCB Group generated revenues of €3.6 billion in 2008 with underlying profitability (recurring EBITDA) reaching €733 million. For the first half of 2009, these numbers amounted to €1,596 million and €363 million, respectively.

2. DESCRIPTION OF THE BONDS

Issuer	UCB SA
Description of the Bonds	Issue of an expected minimum EUR 150,000,000 5.75 per cent Bonds, due 27 November 2014
Subscription Period	From 26 October 2009 at 9 a.m. until 25 November 2009 at 4 p.m. (early closing possible)
Domiciliary Agent and Paying Agent	BNP Paribas Fortis
Listing Agent	BGL BNP Paribas S.A. for the purpose of the admission to trading of the Bonds on the Luxembourg Stock Exchange's regulated market
Distributors and Managers	Application for the subscription of Bonds can be made through the branches of BNP Paribas Fortis (including the branches acting under the commercial name of Fintro), ING Belgium SA/NV and ING Luxembourg, S.A. ("ING"), KBC Bank NV ("KBC") (including CBC S.A.), KBL European Private Bankers S.A., Centea NV and KBC Securities NV, as well as any relevant subsidiary in the Grand Duchy of Luxembourg of each of the above mentioned banks (as decided by each bank and its subsidiary).
Public offer jurisdictions	Kingdom of Belgium and Grand Duchy of Luxembourg
Issue Date	27 November 2009
Issue Price	101.875 per cent., which includes a selling and distribution commission of 1.875% borne by the investors other than Qualified Investors (see further details under "Subscription and Sale", sections "Issue Price" and "Costs and fees")
Settlement Currency	Euro ("EUR")
Aggregate Nominal Amount	Expected minimum of EUR 150,000,000
Nominal Amount / Specified Denomination	EUR 1,000 per Bond

Specified Denomination per Bond		
Minimum Subscription Amount	The Bonds may only be traded in a minimum multiple of one Bond (corresponding to a nominal amount of EUR 1,000)	A5 - 5.1.5
Maturity Date	27 November 2014	A5 - 4.8
Redemption Date	Maturity Date (subject as provided in the Terms and Conditions of the Bonds)	
Interest	5.75 per cent. Fixed rate, payable annually in arrear on 27 November in each year and for the first time on 27 November 2010 (or an amount of EUR 57.5 per Specified Denomination of EUR 1,000)**.**	
Yield	5.31 per cent. on an annual basis calculated on the basis of the Issue Price.	
Redemption Amount at Maturity Date	The Bonds will be redeemed at 100 per cent. of the Nominal Amount	
Early Redemption	The Bonds may be redeemed early following an event of default as set out in Condition 8. Bonds will also be redeemable at the option of the Issuer prior to maturity for reasons as set out in Conditions 5 (b) and (c) and at the option of the Bondholders prior to maturity upon a Change of Control (followed, as the case may be by a rating downgrade) as set out in Condition 5 (c). The early redemption amount in respect of each Bond is set out in the Conditions.	
Step-Up	In case the Change of Control Resolutions (as defined in the Conditions) are not passed by 31 december 2009, the Interest payable on the Bonds shall increase by 0.50 per cent. per annum with effect from the first Interest Payment Date.	
Form of Bonds	Dematerialised form under the Belgian Company Code – no physical delivery.	
Status of Bonds	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least pari passu with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.	A5 - 4.5
Cross Acceleration and Negative Pledge	Applicable, as set out in Conditions 8 (c) and 2 respectively	
Events of Default	Events of Default under the Bonds include non-payment of principal for 7 days or non-payment of interest for 14 days, breach of other obligations under the Bonds (which breach is not remedied within 20 Brussels business days), cross acceleration and certain events related to insolvency or winding up of the Issuer.	
Taxation	*Kingdom of Belgium*. Natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax	

tax purposes, i.e., who are subject to the Belgian personal income tax and who hold the Bonds as a private investment, are subject to a final 15 per cent. Belgian withholding tax on the gross amount of the interest on the Bonds. Such payment of 15 per cent. withholding tax fully discharges them from their personal income tax liability with respect to these interest payments. A tax may also need to be withheld pursuant to Council Directive 2003/48/EC regarding the taxation of the savings income of individuals.

Grand Duchy of Luxembourg. Under Luxembourg tax law currently in effect, there is generally no withholding tax on interest payments or repayments of principal on the Bonds. A tax may however need to be withheld pursuant to the following provisions relating, broadly stating, to the taxation of the savings income of individual investors:

- the Council Directive 2003/48/EC regarding the taxation of the savings income of individuals;

- any international agreement, providing for measures similar to those of the above mentioned Council Directive, concluded by Luxembourg with certain dependent or associated territories of the EU;

- the Luxembourg law dated 23 December 2005, as amended by the law dated 17 July 2008, relating to interest paid to Luxembourg resident individuals (10 per cent. Luxembourg withholding tax).

The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Bondholder in respect of the Bonds, after withholding for any taxes imposed by tax authorities in the Kingdom of Belgium upon payments made by or on behalf of the Issuer in respect of the Bonds, will equal the amount which would have been received in the absence of any such withholding taxes, except that no such additional amounts shall be payable in respect of any Bond in the circumstances defined in Condition 7 (a), (b), (c) and (d) (Taxation).

For additional information, Bondholders should refer to the section of this Prospectus entitled "Taxation".

Meetings of Bondholders The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Governing Law The Bonds are governed by the laws of the Kingdom of Belgium. A5 - 4.2

Listing and Admission to Application has been made for the Bonds to be admitted to trading

Trading	on the regulated market of the Luxembourg Stock Exchange.	
Relevant Clearing Systems	Clearing system operated by the National Bank of Belgium, Euroclear and Clearstream, Luxembourg.	
No Ownership by U.S. Persons	Regulation S, Category 2; TEFRA C applicable, as further described under part XIV Subscription and sale, § 13 United States.	
Conditions to which the public offer of Bonds is subject	The public offer of Bonds is subject to the conditions set out in the section of the Prospectus entitled "Subscription and Sale".	A5 - 5.1.1
ISIN Code / Common Code	ISIN Code: BE6000431112 Common Code: 046275179	
Selling Restrictions	Restrictions apply to offers, sales or transfers of the Bonds in various jurisdictions. See "Subscription and Sale". In all jurisdictions offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction. The distribution of the Prospectus or of its summary may be restricted by law in certain jurisdictions.	

3. DESCRIPTION OF THE RISK FACTORS

Here below is a list of the potential risk factors associated with the Issuer and the Bonds. Please refer to the section of the Prospectus called "Risk Factors" for a complete description thereof.

(a) Factors that may affect the Issuer's ability to fulfil its obligations under the Bonds

A4 - 4

The risk factors relating to UCB SA are set out in the section "Risk Factors" of this Prospectus. These risks factors are the following:

- The loss of patent protection or other exclusivity or ineffective patent protection for marketed products may result in loss of sales to competing products

- Failure to develop new products and production technologies will have a negative impact on the competitive position of the UCB Group

- The UCB Group depends in the near term on a small number of products which may also be subject to competitive forces

- There are risks associated with the technical and clinical development of products of the UCB Group

- There are risks associated with the international business of the UCB Group

- The UCB Group's international revenues and transactions, as well as its international asset portfolio, expose the UCB Group to foreign currency and interest rate risks

- The UCB Group is dependent on third-party manufacturers and suppliers

- The UCB Group is dependent on research and development partners and commercial partners

- The UCB Group's relatively high fixed costs base, as a proportion of its total costs, means that falls in revenue could have a significantly adverse effect on it's profitability

- Products, including products in development, cannot be marketed unless the UCB Group obtains and maintains regulatory approval

- The UCB Group may not obtain acceptable price and reimbursement for its products

- The UCB Group faces certain litigation risks, which may adversely affect the business

- The UCB Group relies on its key personnel

- Existing insurance coverage may turn out to be inadequate

- Environmental liabilities and compliance costs may have a significant negative effect on operating results of the UCB Group

- The impact of the global economic conditions on the UCB Group may affect future results

- The UCB Group's inability to diversify its sources of funding may adversely affect its business, financial condition and results of operations

- Certain of the UCB Group's products are subject to seasonal demand variation

- The UCB Group is reliant upon its information technology systems and infrastructure, and any damage to either may have a negative impact on its business

- The UCB Group is exposed to risk of changes in tax legislation and the interpretation of such legislation in the jurisdictions in which it operates

(b) Factors which are material for the purpose of assessing the market risks associated with the Bonds A5 - 2.1

- Bonds may not be a suitable investment for all investors

- There is no active trading market for the Bonds

- The Bonds may be redeemed prior to maturity

- The Change of Control Put

- Interest rate risks

- Market Value of the Bonds

- Global Credit Market Conditions

- Representation of Bondholders

- EU Savings Directive

- Belgian Withholding Tax

- Taxation

- Change of law

- Relationship with the Issuer

- Reliance on the procedures of the Clearing System, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

- The Domiciliary Agent is not required to segregate amounts received by it in respect of Bonds cleared through the X/N Clearing System

- Exchange rate risks and exchange controls

- Potential Conflicts of Interest.

- Legal investment considerations may restrict certain investments

- The Calculation Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further their interests.

PART II: RISK FACTORS

The following is a description of risk factors which are material in respect of the Bonds and the financial situation of the Issuer and which may affect the Issuer's ability to fulfil its repayment obligations under the Bonds and which prospective investors should consider carefully before deciding to purchase the Bonds. The sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. The following statements are not exhaustive: prospective investors should read and consider all of the information provided in this Prospectus or incorporated by reference in this Prospectus and should make their own independent evaluations of all risk factors and consult with their own professional advisers if they consider it necessary. Terms defined in "Terms and Conditions of the Bonds" below shall have the same meaning where used below.

1. FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE BONDS

A4 - 4

(a) The loss of patent protection or other exclusivity or ineffective patent protection for marketed products may result in loss of sales to competing products.

Patent protection is considered, in the aggregate, to be of material importance in the UCB Group's marketing of its products in the EU, the U.S. and in most other major markets. Patents covering products that the UCB Group has introduced normally provide market exclusivity, which is important for the successful marketing and sale of its products and its ability to reinvest the proceeds of sales into research and development. Similarly, many products, upon approval by regulatory authorities, benefit from "data exclusivity". This exclusivity is a recognition of the unique work (typically clinical work) performed to demonstrate the safety and efficacy of a product. Exclusivity is an important asset enabling the UCB Group to lawfully avoid competition from identical or similar products. The UCB Group will seek patents and data exclusivity, where the opportunity exists, covering each of its products in each of the markets where it intends to sell the products and where meaningful patent protection is available.

Even if the UCB Group succeeds in obtaining patents covering its product, third parties may challenge or seek to invalidate or circumvent its patents and patent applications. It is important for the business of the UCB Group to successfully defend the patent rights that provide market exclusivity for its products. Patent litigation and other challenges to the patents of the UCB Group are costly and unpredictable and may deprive the UCB Group of market exclusivity for a patented product or, in some cases, third party patents may prevent the UCB Group from marketing and selling a product in a particular geographic area.

Generic drug manufacturers, particularly in the U.S., may seek marketing approval for pharmaceutical products currently under patent protection by attacking the validity or enforceability of a patent. The more successful the product is commercially, the more likely the patent covering the product will be challenged by generic manufacturers. If a generic manufacturer succeeds in invalidating a patent protecting one of the products of the UCB Group, that product could be exposed to generic competition before the expected expiration date of the patent. If one or more important products lose patent protection in profitable markets, sales of those products are likely to decline significantly as a result of generic versions of those products becoming available. The results of operations of the UCB Group may be adversely affected by such sales decline. Decisions adversely impacting the UCB Group's patents could also result in third party claims by, for example, direct and indirect purchasers and state

and federal governmental entities, seeking damages for having wrongly precluded competition in the market place.

During the life of its patent related to the compound per se, a patented product is normally only subject to competition from different products with similar indications. After a patent expires or a product loses exclusivity, the owner of the formerly patented product is likely to face increased competition from generic products entering the market, the extent of which will very much depend on various factors like the geographical market, the therapeutic area and the type of disease, the existing competition and the volume of sales of the original product. The loss of patent protection in the U.S. and subsequent generic erosion in relation to Keppra® has impacted the UCB Group in accordance with predictions, with an approximate market share retention of 23 per cent. 35 weeks after the loss of such protection. With a number of products coming off patent in various jurisdictions in the coming years, the sustainability of the projected market share in the face of generic competition will become important for the UCB Group. In the event that the sales of any product differ from those anticipated after the loss of patent protection, this may have a negative impact on the profits of the UCB Group.

The extent of patent protection varies from country to country. In some of the countries in which the UCB Group currently operates, patent protection may be significantly weaker and/or more difficult to enforce than in the European Union or the United States. Piracy of patent protected intellectual property has occurred in recent years, especially in some Asian countries. In particular, these countries could facilitate competition within their markets from generic manufacturers who would otherwise be unable to introduce competing products for a number of years.

Separately, in its report on the pharmaceutical sector adopted in July 2009, the European Commission seemed to suggest an intention to challenge the existence of patent rights in certain circumstances, in an attempt to address the perceived difficulties encountered by generic companies in getting to market once a product patent has expired, and to counter the apparent decline in the number of novel medicines entering the market. The report addressed certain practices by pharmaceutical companies as being among the causes of these problems, and the European Commission is now expected to intensify its scrutiny of the pharmaceutical sector under antitrust law, including increased monitoring of settlement arrangements between originators and generic drug companies. The report also calls on European member states to introduce legislation to facilitate the uptake of generic drugs. In the event that such legislation is proposed or implemented, or, in the future, the UCB Group becomes the subject of an antitrust investigation, this could have a material adverse effect on the UCB Group's business.

UCB is also currently assessing the potential impact on the organisation of the key areas of healthcare reform being considered in the U.S., which may also have an impact on patent protection in the U.S.. A healthcare reform bill in the U.S. is anticipated to be presented in the fourth quarter of 2009, and the impact on the Issuer will be determined by whether the U.S. congress is able to reach consensus on material matters, such as the regulatory approval pathway for follow-on biologics, coverage and insurance reform to expand coverage to U.S. citizens, healthcare delivery and payment reforms as well as provisions intended to finance the expansion of coverage in the U.S.. In the event that changes are implemented, which increase the cost of compliance and registration of products in the U.S., or which threaten the protection of patents in the U.S., among other matters, this may have a significant impact on the business of the UCB Group.

Other than the potential European legislation discussed above, the UCB Group does not currently expect any proposed patent law modifications to affect it materially. Nevertheless, if a country in which the UCB Group currently sells a substantial volume of an important product were to effectively invalidate its patent rights in that product, the revenues of the UCB Group could suffer.

(b) Failure to develop new products and production technologies will have a negative impact on the competitive position of the UCB Group.

The UCB Group significantly depends on the development of commercially viable and sustainable new products and technologies. Because of the lengthy development process, technological challenges and intense competition, there is a risk that any of the products which the UCB Group is currently developing will not show the required efficacy and safety, will not be approved by the relevant authorities, will not be marketable on time or which are launched and subsequently manifest safety issues or manufacturing abnormalities. Balancing current growth and investment for the future remains a major challenge, and the UCB Group may be unable to meet its expectations and targets with respect to products which are being developed. The competitive position and operating results of the UCB Group could be harmed in the long term if it is unsuccessful in developing new products and quality and cost efficient manufacturing processes, or if its ability to generate sufficient levels of sales through investments in new products and expenditures on research and development declines.

The UCB Group has recently devolved its research and development function, splitting it between UCB NewMedicines™ and Global Projects & Development. In the event that either of these groups is not successful, this may have a negative impact on the pipeline of products being developed. Further, the success of UCB NewMedicines™ is in part reliant on the success of its various partnerships. In the event that such arrangements are unsuccessful, this may have a negative impact on the success of UCB NewMedicines™ and the pipeline of products for the UCB Group.

The UCB Group focuses on extracting value from its products by managing their life cycle efficiently and maximising the patent protection available in various jurisdictions for different indications. In the event that the UCB Group fails to maximise the value obtained from the products while such protection is in place, this may have a negative impact on sales in the medium to long term, since patent protection will be diminished. Such a reduction in product sales may have a material adverse effect on the revenues of the UCB Group and its ability to reinvest in research and development.

(c) The UCB Group depends in the near term on a small number of products which may also be subject to competitive forces

The UCB Group has to date depended, and will continue to depend to a large extent on the sales of a few products. Historically, key products include Zyrtec®, Keppra® and Xyzal®, which are approaching or have reached the end of their patent-protected timeframe. The current key products for the UCB Group include Cimzia®, Neupro® and Vimpat®. The continuing sales volume of these products significantly depend on their patent protection but also on other factors such as regulatory approvals, regulation of pricing, product liability or competition. A significant decrease in the sales of any of these products could have a material adverse impact on the results of operations of the UCB Group.

The UCB Group cannot predict with accuracy the timing or impact of the introduction of competitive products or their possible effect on its sales. Products that compete with the UCB Group's products, including some of its best-selling medicines, are launched from time to time. Launches of a number of competitive products have occurred in recent years, and certain potentially competitive products are in various stages of development, some of which have been filed for approval with the FDA and with regulatory authorities in other countries.

If any of the UCB Group's major products were to become subject to problems such as loss of patent protection, changes in prescription growth rates, material product liability litigation, unexpected side effects, manufacturing difficulties, regulatory proceedings and actions, significant product recalls, major changes in healthcare structures, publicity affecting doctor or patient confidence or pressure from existing competitive products, changes in labelling or if a new, more effective treatment should be introduced, the adverse impact on the UCB Group's revenues could be significant. In addition, the UCB Group's revenues could be significantly impacted by the timing and rate of commercial acceptance of key new products including Cimzia®, Neupro® and Vimpat®.

(d) There are risks associated with the technical and clinical development of products of the UCB Group.

The development of pharmaceuticals carries significant risk, and failure may occur at any stage during development due to quality, safety or clinical efficacy issues. After marketing approvals have been received, safety issues which may not have surfaced in the comparably small patient populations studied during clinical trials can result in label restrictions and, in the worst case, to the withdrawal of the drug from the market. All drug candidates of the UCB Group will need extensive quality, pre-clinical and clinical testing before an application can be made for market authorisation from regulatory authorities. It cannot be predicted with certainty if or when the UCB Group will be able to submit an application to the regulatory authorities of the relevant markets.

Each individual development step is associated with the risk of failure, hence an early stage drug candidate carries a considerably higher accumulated risk of failure than a later stage candidate, but the risk nonetheless is high even at the latest stage. The statistical chance of success is increasing as drug candidates progress successfully through the different phases of drug development. It is probable that not all the programmes in the pipeline of the UCB Group will succeed.

Human clinical trials are very expensive and difficult to design and implement, in part because such trials are subject to rigorous regulatory requirements. Clinical trials are also very time consuming and can take several years to complete for each product candidate. Failure can occur at any stage of the trials and problems may be encountered that would cause the UCB Group to interrupt, abandon or repeat clinical trials. The commencement and completion of clinical trials may be delayed or hindered by several factors, including but not limited to:

- difficulties in obtaining regulatory and/or ethics committee approval of the study protocol;
- fewer than the projected number of suitable investigators, which will result in delayed recruitment of the required number of patients;
- unexpected safety and tolerability issues;
- issues with identifying the appropriate therapeutic dosage range;
- unexpected issues with respect to the supply of investigational products; and
- unfavourable benefit/risk ratio due to safety data collected in the course of clinical development.

Every clinical trial requires a pre-specified objective and clearly defined primary goal. The hypothesis which is to be tested in the clinical trial may be proven wrong. This will result in a negative study outcome. Clinical studies which have not met their primary goal are usually not suitable to support a regulatory submission. If clinical trials for a drug candidate should be unsuccessful, the UCB Group

will be unable to commercialize such drug candidate. If one or more of the clinical trials of the UCB Group for a drug candidate is delayed, the UCB Group will be unable to meet the UCB Group's anticipated development and commercialisation timelines for such drug candidate. Such failure of, or delay in, commercialisation may have a material adverse effect on the UCB Group's business, financial condition and results of operations.

(e) There are risks associated with the international business of the UCB Group.

The UCB Group conducts its business to a significant extent on an international level. This is associated with a variety of different risks for the UCB Group, such as currency fluctuations, currency controls, the political and economic conditions and regulatory regimes in the countries where entities of the UCB Group will operate. The UCB Group's international operations also could be affected by changes in intellectual property legal protections and remedies, trade regulations and procedures and actions affecting approval, production, pricing, reimbursement and marketing of products. Any or all of these factors may have a material adverse effect on the business, financial condition and results of operations of the UCB Group.

(f) The UCB Group's international revenues and transactions, as well as its international asset portfolio, expose the UCB Group to foreign currency and interest rate risks.

The UCB Group currently has a significant amount of its income and incurs a significant amount of its expenses outside the Euro zone, most importantly in the United States, United Kingdom, Switzerland and Japan, and is significantly exposed to transactions in U.S. dollars, Pounds Sterling, Japanese yen and Swiss francs, as well as to certain emerging market currencies, directly or indirectly. Since the financial statements of the UCB Group are prepared in Euro, the foreign currency transactions of the UCB Group and the financial statement items of its foreign operations that are included in the financial statements of the UCB Group for any financial period will be translated into Euro in accordance with the exchange rates to be applied pursuant to applicable accounting provisions. These translation effects may adversely expose the results of the UCB Group to fluctuations in the exchange rate of the Euro vis-à-vis the U.S. dollar and other foreign currencies. These translation effects could have a material adverse effect on the UCB Group's business, financial condition and results of operations. In addition, the UCB Group will also have trading positions in foreign currencies exposing it to foreign currency transaction risks.

The UCB Group's interest-bearing investments, loans and borrowings are also subject to risk from changes in foreign exchange rates and interest rates. The UCB Group employs certain financial risk management techniques to minimise the impact of foreign exchange rate movements and interest rate movements on earnings, using both operational means and various financial instruments. These practices may change as economic conditions change. From time to time, the UCB Group may fix interest rates either by entering into fixed-rate investments and borrowings or through the use of derivative financial instruments, such as interest rate swaps. Notwithstanding the UCB Group's efforts to foresee and mitigate the effects of changes in fiscal circumstances, UCB cannot predict with certainty changes in currency and interest rates, inflation or other related factors affecting its business.

(g) The UCB Group is dependent on third-party manufacturers and suppliers.

The UCB Group relies upon third-party manufacturers and suppliers with regard to some of their products and, like all pharmaceutical companies, may continue to look for other third party manufacturers and suppliers for other products. Given the specialist nature of the industry, there are certain products for which only one supplier exists. The UCB Group cannot be certain that it will be able to enter into satisfactory agreements with third-party manufacturers and/or suppliers or that they will continue to serve as reliable partners. Further, the limited number of suppliers may cause escalation in the cost of supply of certain key products, which would damage the revenue streams of the UCB Group. The failure of the UCB Group to enter into agreements with such manufacturers and/or suppliers on reasonable terms, if at all, or poor manufacturing or supplying performance of the third-party manufacturers and suppliers could have a material and adverse effect on the business, financial condition and results of operations.

(h) The UCB Group is dependent on research and development partners and commercial partners.

The UCB Group relies on research and development partners, in particular in relation to its early stage operations encompassed in UCB NewMedicines™. Those partnerships depend upon efficient collaboration and stable research strategies. Failure to retain key scientific personnel both internally and in collaborations may have a negative impact on the success of a specific research program. Separately, the Issuer has looked to joint ventures to divest some of its non-core products, such as oncology therapies, and is therefore now reliant on the ability of the joint venture party to progress such products to ensure that the joint venture is successful. The UCB Group may also rely on third parties to fund or help fund research and development costs and expenses associated with supporting clinical studies and regulatory filings to allow the UCB Group the opportunity to launch and maximixe the potential of its products in the marketplace.

Existing and future commercial partnerships with third parties are of material importance for the UCB Group. The UCB Group has acquired third parties' products for further commercialisation in specific geographical areas or therapeutic areas through licensing, co-promotion or co-marketing. The initiation of such partnerships usually involves material up-front and royalty payments to such third parties based on the evaluation of the potential success of the relevant product. Similarly, the UCB Group holds licences in relation to a number of products which other parties distribute, with the UCB Group receiving royalties in respect of sales by such distributors. In the event that these sales and therefore the royalty payments were to decrease, this may have a significant negative impact on the UCB Group's revenue.

The failure of the UCB Group to enter into such kind of partnership agreements on reasonable terms, if at all, or the poor performance of the third-party products could have a material and adverse effect on the business, financial condition and results of operations of the UCB Group.

(i) The UCB Group's relatively high fixed costs base, as a proportion of its total costs, means that falls in revenue could have a significantly adverse effect on its profitability.

The UCB Group has a relatively high fixed cost base as a proportion of its total costs, consisting primarily of costs of maintaining continued investment in the product pipeline and related infrastructure, and the supply of products and equipment for the development of drugs. A decrease in the UCB Group's revenue is likely therefore to have a disproportionately material adverse impact on the UCB Group's profitability if the UCB Group is unable, in the short to medium term, to manage its costs

and supply requirements substantially to mitigate the effect of any significant falls in revenue on profit. The UCB Group's profitability is therefore likely to be more significantly negatively affected by decreases in revenue than would be the case for a company with a more flexible cost base. Any decrease in profitability could have a material adverse effect on the UCB Group's business, financial condition and results of operations.

(j) Products, including products in development, cannot be marketed unless the UCB Group obtains and maintains regulatory approval.

The activities of the UCB Group, including research, drug development, manufacturing and marketing its products, are and will be subject to extensive regulation by numerous authorities in the European Union, including the European Medicine Evaluation Agency, and in the United States, including the Food and Drug Administration, and by other foreign regulatory authorities. Regulations are primarily focused on drug quality, safety and efficacy. The regulatory authorities have substantial discretion to require additional testing, to delay or withhold registration and marketing approval and to mandate product recalls or withdrawals. Regulatory approval also extends to the supply and distribution of products. If a situation occurs, as with the distribution of Neupro® during 2008, where a product is to be recalled and removed from distribution for any length of time, this will have a material adverse effect on the revenues of the UCB Group during this period.

Even if the UCB Group develops new products it will not be able to market any of those products unless and until it has obtained the required regulatory approvals in each jurisdiction where it proposes to market the new products. Once obtained, the UCB Group must maintain these market authorisations as long as it plans to market its new products in each jurisdiction where approval is required. The failure of the UCB Group to obtain approval, significant delays in the approval process, or its failure to maintain approval in any jurisdiction will prevent it from selling the new products in that jurisdiction until approval is obtained, if ever. The UCB Group will not be able to realise revenues for those new products in any jurisdiction where it does not have approval.

(k) The UCB Group may not obtain acceptable price and reimbursement for its products.

In most markets, drug prices and reimbursement levels are regulated or influenced by governments, public health trust assessment bodies, insurance companies or other third parties. Furthermore, the overall cost to society regarding healthcare has increased considerably over the last decades and governments and insurance companies all over the world are striving to control healthcare costs. There can be no guarantee that the drugs of the UCB Group will obtain the anticipated selling prices or reimbursement levels foreseen. If actual prices and reimbursement levels granted to the products of the UCB Group are lower than anticipated, then this is likely to have a negative impact on the products' profitability and/or marketability.

In the U.S. and in certain European markets, many of the UCB Group's pharmaceutical products are subject to increasing pricing pressures. Such pressures in the U.S. have increased as the result of the U.S. Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "2003 Medicare Modernization Act") due to the enhanced purchasing power of the private sector plans that negotiate on behalf of Medicare beneficiaries. If the 2003 Medicare Modernization Act were amended to impose direct governmental price controls and access restrictions, it would have a significant adverse impact on the UCB Group's business. In addition, Managed Care Organizations (MCOs), as well as Medicaid and

other U.S. federal and state government agencies, continue to seek price discounts. As proposed, the U.S. healthcare reform bill increases the rebates on pharmaceutical products for government plans, including Medicare and Medicaid. Some states have implemented, and other states are considering price controls or patient access constraints under the Medicaid programme, and some states are considering price-control regimes that would apply to broader segments of their populations that are not Medicaid eligible.

The international patchwork of price regulation has led to different prices in different markets, and consequently there has been some third party trade in the UCB Group's products from markets with lower prices. Such trade exploiting price differences between countries can undermine sales in markets with higher prices. As a result, it is expected that pressures on the pricing component of operating results will continue.

The UCB Group operates in a heavily regulatory environment worldwide. Every aspect of its business is regulated by laws of the countries within which it conducts its business from clinical research and development, to manufacturing, to marketing and promotion of products in the market place, to pricing, and to pricing reporting. Any non-compliance with the laws can result in lengthy and costly investigations and litigations, substantial fines, both civil and criminal penalties, product withdrawals, plant shutdowns and overall reductions of revenue.

(l) The UCB Group faces certain litigation risks, which may adversely affect the business.

The outcome of legal proceedings in which UCB and/or certain of its subsidiaries are involved, or of potential future litigation, may adversely affect the business, financial condition and results of operations of the UCB Group. Legal proceedings may include (but are not limited to) regulatory investigations, defending claims or taking action to protect commercial or competitive interests, including patents, in a range of jurisdictions and a number of legal systems. The costs and potential economic consequences of any legal proceedings are difficult to quantify and, particularly in the case of product patent infringement and significant commercial litigation, may be high. Material legal proceedings may both impact the profit of the business and, if a patent suit were to result in an adverse judgment, prevent the UCB Group from continuing to market certain of its products. The UCB Group is a party to patent litigation involving Xyzal® in the U.S. and in Europe, product liability actions in the U.S. and elsewhere and in regulatory review of certain marketing practices in the U.S. None of these actions are currently viewed by the Board as having a material adverse impact on the UCB Group.

Separately, the UCB Group has made and will continue to consider acquisition opportunities within the pharmaceutical industry. While the Issuer typically obtains warranties or representations from the seller of such asset or business with respect to certain legal or factual issues, these warranties may not cover all of the problems that may arise following the acquisition, such as additional tax liabilities, and may not fully compensate the Issuer for any loss it may suffer in relation to the acquired asset or business. In addition, it may be difficult or impossible to enforce warranties or representations against a seller for various reasons, including the expiration of limitation periods or enforcement periods for such warranties or representations.

(m) The UCB Group relies on its key personnel.

The UCB Group is highly dependent upon the senior management and scientific team, the loss of whose services might impede the achievement of the scientific development and commercial objectives, or the

manner in which the Group is able to conduct its business. Competition for key personnel with the experience that is required is intense and is expected to continue to increase. There is a risk that the UCB Group will not be able to retain key personnel, or that the UCB Group will not be able to recruit new key personnel in the future.

(n) Existing insurance coverage may turn out to be inadequate.

The UCB Group seeks to cover foreseeable risks through insurance coverage, to the extent practicable and subject to availability. Such insurance coverage, however, may not fully cover the risks to which the UCB Group will be exposed, with certain products and circumstances, conduct and events excluded from insurance cover either fully or under certain indications. This can be the case with respect to insurance covering legal and administrative claims, including environmental claims, as well as with respect to insurance covering other risks. Considering the increasing number of product liability cases in the market and the increasing level of damage awarded to claimants in connection with such cases, in particular in the United States, adequate insurance coverage is or may not be available for certain products or type of products or, if available, it may not be available at reasonable conditions.

The business of the UCB Group will expose it to the risk of product liability claims or other such claims inherent in the development, manufacturing, use, sale and promotion of drugs. The use of any of the product candidates in clinical trials of the UCB Group and the sale of any approved products may expose it to costly and damaging product liability claims and other claims brought by clinical trial participants, consumers, health care providers, pharmaceutical companies, private customers, government entities or others. The amount of the liability insurance coverage of the UCB Group including but not limited to product liability coverage, may not be adequate to cover all expenses the UCB Group might incur. Moreover, insurance coverage is becoming increasingly expensive and for certain products or product categories not available, and the UCB Group is not certain to be able to maintain insurance coverage at a reasonable price or in sufficient amounts to protect the UCB Group against costs, expenses, fees and damages due to liability claims on all products. If the UCB Group is unable to obtain insurance at an acceptable cost or otherwise protect against potential product liability claims, it may be exposed to significant liabilities, which may materially and adversely affect its business and financial position. If the UCB Group is sued for injuries or damages allegedly caused by or relating to products it has developed, manufactured, sold or promoted, the liability of the UCB Group could exceed its total assets and the UCB Group could be unable to pay any judgment against it. Even if the UCB Group were able to pay a judgment against it, a successful product liability claim or series of claims brought against the UCB Group could result in significant capital expenditures and expenses, as well as liabilities, thereby harming the business and operating results of the UCB Group.

(o) Environmental liabilities and compliance costs may have a significant negative effect on operating results of the UCB Group.

The environmental laws of various jurisdictions impose actual and potential obligations on the UCB Group to remediate contaminated sites. These obligations may relate to sites that the UCB Group currently owns or operates; that the UCB Group formerly owned or operated and in relation to which UCB retains some contractual liabilities in addition to any legal responsibility (in the pharmaceuticals, chemicals or films industry); or where property owned by third parties was contaminated by the emission or spill of contaminants for which the UCB Group bears responsibility. Steps have been taken

either to remediate certain sites or to agree settlements with respect to contaminated areas, limiting the UCB Group's potential liabilities in this area.

The costs of these environmental remediation obligations could significantly reduce the UCB Group's operating results. In particular, the UCB Group's accruals for these obligations may be insufficient if the assumptions underlying these accruals prove incorrect or if the UCB Group is held responsible for additional, currently undiscovered, contamination. Furthermore, the UCB Group may become involved in claims, lawsuits and administrative proceedings relating to environmental matters. Stricter health, safety and environmental laws and regulations as well as enforcement policies could result in substantial liabilities and costs to the UCB Group and could subject its handling, manufacturing, use, reuse or disposal of substances or materials to more rigorous scrutiny than is currently the case. Consequently, compliance with these laws and regulations could result in significant capital expenditures and expenses, as well as liabilities, thereby harming the business and operating results of the UCB Group.

(p) The impact of the global economic conditions on the UCB Group may affect future results.

The recent changes in global financial markets have not had, nor does the UCB Group anticipate they will have, a significant impact on its liquidity. Due to the UCB Group's operating cash flow and financial assets, the UCB Group continues to believe that it has the ability to meet its future financing needs. As market conditions change, the UCB Group will continue to monitor its liquidity position. However, there can be no assurance that its liquidity or results of operations will not be affected by recent and possible future changes in global financial markets and global economic conditions. Moreover, like other businesses, the UCB Group faces the potential effects of the global economic recession. Unprecedented market conditions, including illiquid credit markets, volatile equity markets, dramatic fluctuations in foreign currency rates and economic recession could affect future results.

(q) The UCB Group's inability to diversify its sources of funding may adversely affect its business, financial condition and results of operations.

The UCB Group currently has access to a debt facility which is due to mature in 2011, an extension of which may only be possible to secure on less favourable terms, or not at all, depending on market conditions and performance of the UCB Group. The Board intends to diversify the UCB Group's funding profile. However, until such alternate sources of funding have been identified, the UCB Group is reliant on this debt facility as a source of liquidity.

In the event that the UCB Group breaches any of its covenants or any other material term of this debt arrangement, this could have a significant impact on the business of the UCB Group. Further, if the UCB Group is unable to diversify its sources of funding as it intends to, and within the timeframe which it envisages, it may have to renegotiate the debt facility on terms which may not be commercially desirable. Either outcome may have a material adverse effect on the UCB Group's business and results of operations.

(r) Certain of the UCB Group's products are subject to seasonal demand variation.

The UCB Group product portfolio includes a number of primary care products whose sales may vary seasonally. These include products such as Xyzal® and Zyrtec®, both of which are used to treat

allergies and therefore are susceptible to seasonal variations in demand, peaking during heavily pollinated times. Similarly Tussionex® is widely used as a cough and cold treatment, and therefore more demand is experienced during winter months. Such seasonal variations may affect the consistency of revenues for the UCB Group.

(s) The UCB Group is reliant upon its information technology systems and infrastructure, and any damage to either may have a negative impact on its business.

The UCB Group relies to a large extent upon sophisticated information technology systems and infrastructure. The size and complexity of its computer systems make such systems and infrastructure potentially vulnerable to breakdown, malicious intrusion and random attack. Likewise, data privacy breaches by employees and others with permitted access to the UCB Group's technology systems may pose a risk that sensitive data may be exposed to unauthorised persons or to the public. While the UCB Group has invested heavily in protection of data and information technology, there can be no assurance that its efforts will prevent breakdowns or breaches in its technology systems that could adversely affect its business.

(t) The UCB Group is exposed to risk of changes in tax legislation and the interpretation of such legislation in the jurisdictions in which it operates

The UCB Group's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. Action by governments to increase tax rates or to impose additional taxes may reduce the profitability of the UCB Group. Revisions to tax legislation or to its interpretation may also affect the UCB Group's results in the future.

In addition, any tax authority may initiate a review of the UCB Groups' compliance with its tax regime at any time. There are several such reviews pending regarding the UCB Group in a range of jurisdictions such as Germany, the UK, Spain, Turkey and Italy. The UCB Group is not able to predict with certainty the outcome of such reviews, or the impact that such reviews may have on the business of the UCB Group. In the event that such a review resulted in the issue of fines and / or other penalties, this may have a material adverse effect on the profitability of the UCB Group.

2. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE BONDS

A5 - 2.1

(a) Bonds may not be a suitable investment for all investors

Each potential investor in any Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the investment will have on the potential investor's overall investment portfolio.

(b) There is no active trading market for the Bonds

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds. In the event that put options are exercised in accordance with Condition 5 (c) of the Terms and Conditions of the Bonds, liquidity will be reduced for the remaining Bonds.

(c) The Bonds may be redeemed prior to maturity

In the event (i) of the occurrence of an event of default or (ii) that the Issuer would be obliged to increase the amounts payable in respect of any Bonds due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Belgium, or any political subdivision thereof or any authority therein or thereof having power to tax, the Bonds may be redeemed in accordance with the Conditions.

(d) The Change of Control Put

Each holder of Bonds will have the right to require the Issuer to repurchase all or any part of such holder's Bonds at the Put Redemption Amount upon the occurrence of a Change of Control and, if applicable, a Rating Downgrade of the Issuer, in accordance with the Conditions. However, the Change of Control Put is subject to the approval of UCB's shareholders. The approval of the Change of Control Put is expected to be raised at the extraordinary meeting of shareholders of UCB to be held on 6

November 2009. In the event that the shareholders do not approve the Change of Control Put as detailed in Condition 5 (c), such provision will not be effective.

In the event that such Change of Control Put right is exercised by holders of at least 85 per cent. of the aggregate principal amount of the Bonds, the Issuer may, at its option, redeem all (but not some only) of the Bonds then outstanding pursuant to Condition 5 (c). However, Bondholders should be aware that, in the event that (i) holders of 85 per cent. or more of the aggregate principal amount of the Bonds exercise their option under Condition 5 (c), but the Issuer does not elect to redeem the remaining outstanding Bonds, or (ii) holders of a significant proportion, but less than 85 per cent. of the aggregate principal amount, of the Bonds exercise their option under Condition 5 (c), Bonds in respect of which the Change of Control Put is not exercised may be illiquid and difficult to trade.

Potential investors should be aware that the Change of Control Put can only be exercised in specified circumstances of a Change of Control as defined in the Conditions and, if applicable, a Rating Downgrade of the Issuer, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer.

(e) Interest rate risks

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

(f) Market Value of the Bonds

The value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

(g) Global Credit Market Conditions

Potential investors should be aware of the prevailing and widely reported adverse global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Bonds. The Issuer cannot predict when these circumstances will change and if and when they do there can be no assurance that conditions of general market illiquidity for the Bonds and instruments similar to the Bonds will not return in the future.

(h) Representation of Bondholders

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

(i) EU Savings Directive

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), member states of the European Economic Union (the "EU Member States" and each a "EU Member State") are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU Member State or to certain limited types of entities established in that other EU Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). By two Royal Decrees dates 27 September 2009 and published in the Belgian Official Gazette on 1 October 2009, the Belgian State elected to abandon the transitional withholding system and provide information in accordance with the EU Saving Directive as from 1 January 2010.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. The European Parliament expressed its opinion on the proposal on 24 April 2009 and the Council adopted unanimous conclusions on 9 June 2009 relating to the proposal. If any of those proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a paying agent established in Belgium or any other state which applies the withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Agent nor any other person would be obliged to pay additional amounts to the Bondholders or to otherwise compensate Bondholders for the reductions in the amounts that they will receive as a result of the imposition of such withholding tax.

(j) Belgian Withholding Tax

If the Issuer, the NBB, the Agent or any other person is required to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer, the NBB, the Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Bondholder in respect of the Bonds, after withholding for any taxes imposed by tax authorities in the Kingdom of Belgium upon payments made by or on behalf of the Issuer in respect of the Bonds, will equal the amount which would have been received in the absence of any such withholding taxes, except that no such additional amounts shall be payable in respect of any Bond in the circumstances defined in Condition 7, (a), (b), (c) and (d) of the Terms and Conditions of the Bonds.

(k) Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

(l) Change of law

The Terms and Conditions of the Bonds are based on the laws of the Kingdom of Belgium in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Kingdom of Belgium, the official application, interpretation or the administrative practice after the date of this Prospectus.

(m) Relationship with the Issuer

All notices and payments to be delivered to the Bondholders will be distributed by the Issuer to such Bondholders in accordance with the Conditions. In the event that a Bondholder does not receive such notices or payments, its rights may be prejudiced but it may not have a direct claim against the Issuer therefore.

(n) Reliance on the procedures of the Clearing System, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

The Bonds will be issued in dematerialised form under the Belgian Company Code and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the Clearing System.

Access to the Clearing System is available through its Clearing System participants whose membership extends to securities such as the Bonds. Clearing System participants include certain banks, stockbrokers *(beursvennootschappen/sociétés de bourse*), and Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds will be effected between the Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Bonds.

The Issuer and the Agent will have no responsibility for the proper performance by the Clearing System or the Clearing System participants of their obligations under their respective rules and operating procedures.

A Bondholder must rely on the procedures of the Clearing System, Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Bonds within the Clearing System.

(o) The Domiciliary Agent is not required to segregate amounts received by it in respect of Bonds cleared through the X/N Clearing System

The Conditions of the Bonds and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders. The Agency Agreement provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Bondholders, directly or through the NBB, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds, and in the event that the Agent were subject to insolvency proceedings at any time when it held any such amounts, Bondholders would not have any further claim against the Issuer in respect of such amounts, and would be required to claim such amounts from the Agent in accordance with applicable Belgian insolvency laws.

(p) Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

(r) Potential Conflicts of Interest.

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Bonds and which could be deemed to be adverse to the interests of the Bondholders.

The Agent and the Managers (both as defined below) might have conflicts of interests which could have an adverse effect to the interests of the Bondholders.

Potential investors should be aware that the Issuer is involved in a general business relation or/and in specific transactions with the Agent, the Calculation Agent or/and each of the Managers (both as defined below) and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should also be aware that the Agent, the Calculation Agent and each of the Managers may hold from time to time debt securities, shares or/and other financial instruments of the Issuer.

(s) Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Bonds are legal investments for it, (2) Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Bonds. The investors should consult their legal advisers to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

(t) The Calculation Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further their interests.

Fortis Bank SA/NV will act as the Issuer's Calculation Agent. In its capacity as Calculation Agent, it will act in accordance with the Conditions in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Bondholders should be aware that the Calculation Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Calculation Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Calculation Agent shall not be liable for the consequences to any person (including Bondholders) of any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Bonds or (ii) any determination made by the Calculation Agent in relation to the Bonds or interests, in each case in the absence of bad faith or willful default. Without prejudice to the generality of the foregoing, the Calculation Agent shall not be liable for the consequences to any person (including Bondholders) of any such errors or omissions arising as a result of (i) any information provided to the Calculation Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Calculation Agent on a timely basis.

PART III: DOCUMENTS INCORPORATED BY REFERENCE

A4 - 13.1
A4 - 13.3
A4 - 13.3.1
A4 - 13.3.2
A4 - 13.3.3
A4 - 13.4
A4 - 13.4.1
A4 - 13.5
A4 - 13.5.1
A4 - 13.5.2

This Prospectus shall be read and construed in conjunction with the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2007 and 2008 together in each case with the audit report thereon as well as the Half-Year Report 2009, and with the press release listed hereunder, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the CSSF. Such documents shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered offices of the Issuer, the website of the Issuer (www.ucb.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

The table below sets out the relevant page references for (i) the audited consolidated annual statements for the financial years ended 2008 and 2007 as set out in the Issuer's Annual Report and (ii) the unaudited financials by 30 June 2009 as set out in the Half-Year Report 2009.

The Issuer confirms that it has obtained the approval from its auditors to incorporate by reference in this Prospectus the auditor's reports for the financial years ended 31 December 2008 and 31 December 2007.

Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purpose only

Consolidated audited annual financial statements of the Issuer for the financial year ended 31 December 2008 and 31 December 2007

	UCB SA Annual Report 2008
Corporate Governance Report	Page 2
Consolidated income statement	Page 31
Consolidated balance sheet	Page 32
Consolidated cash flow statement	Page 33
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	UCB SA Annual Report 2007
Corporate Governance Report	Page 2
Consolidated income statement	Page 29
Consolidated balance sheet	Page 30
Consolidated cash flow statement	Page 31
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Report of the Board of Auditors	Page 77

Half-Year Report 2009 of the Issuer

Other documents incorporated by reference

- Press release of 22 October 2009
- Press release of 5 October 2009: Cimzia®, the only PEGylated anti-TNF, approved in Europe and available in a syringe designed in partnership with OXO Good Grips®
- Press release of 1 October 2009: UCB announces convertible bond offering increased to EUR 500 million following exercise of over-allotment option
- Press release of 30 September 2009: UCB successfully completes its convertible bond offering
- Press release of 30 September 2009: UCB announces an increase in the amount of the issuance of its convertible bond offering to up to EUR 450 million
- Press release of 30 September 2009: UCB launches an offer of up to EUR 350 million convertible bonds, due 2015
- Press release of 28 September 2009: UCB and AstraZeneca form alliance for the commercialization of Cimzia® in Brazil
- Press release of 27 August 2009: UCB and Immunomedics announce positive results for epratuzumab phase IIb study in systemic lupus erythematosus (SLE)
- Press release of 24 August 2009: UCB and Novartis to expand cooperation in Germany
- Press release of 12 August 2009: UCB and its design partners, OXO® and Smart Design, win 2009 "Red Dot: Communication Design"
- Press release of 31 July 2009: UCB progress: new product launches and financials on track
- Press release of 24 July 2009: UCB receives CHMP positive opinion on Keppra® for infants and young children with partial-onset epilepsy
- Press release of 30 June 2009: UCB and Biogen Idec discontinue Phase II clinical trial of CDP323
- Press release of 29 June 2009: UCB brings Neupro® back to all patients in Europe
- Press release of 29 June 2009: New analysis of pooled clinical data showed VIMPAT® (lacosamide) significantly improved partial-onset seizure control, increased seizure freedom rates and enhanced patient function

- Press release of 26 June 2009: Cimzia®, the only PEGylated anti-TNF, recommended for approval in the EU for rheumatoid arthritis

- Press release of 24 June 2009: Pharmaceuticals and UCB announce second Phase III study of sodium oxybate in patients with fibromyalgia meets primary endpoints

- Press release of 15 June 2009: UCB and PatientsLikeMe partner to give people with epilepsy a voice in advancing research

- Press release of 12 June 2009: Clinical data presented at International Congress showed treatment with Neupro® (rotigotine) significantly improved early morning akinesia and was generally well tolerated over four years

- Press release of 12 June 2009: Clinical data presented at International Congress showed treatment with Neupro® (rotigotine) offers high rates of clinical remission and symptom freedom to patients with moderate to severe restless legs syndrome

- Press release of 12 June 2009: Findings of international survey presented at EULAR highlight the significant impact of lupus on patients' lives

- Press release of 11 June 2009: New data showed Cimzia® (certolizumab pegol) provided a rapid and sustained clinical response in adult patients living with rheumatoid arthritis, and reinforces need for rapid-acting treatments

- Press release of 8 June 2009: Final call for entries to the 'Excellence in Epilepsy' Journalism Award

- Press release of 29 May 2009 UCB receives CHMP positive opinion on bringing Neupro® back to all patients in Europe

- Press release of 26 May 2009: UCB launches Vimpat® in the U.S. for add-on treatment of epilepsy in adults

- Press release of 28 April 2009: UCB announces first results from Phase III brivaracetam studies in epilepsy

- Press release of 14 May 2009: Partnership unites UCB with consumer product innovator OXO®

- Press release of 14 May 2009: UCB's CIMZIA® (certolizumab pegol) approved by the U.S. FDA for adult patients suffering from moderate to severe rheumatoid arthritis

- Press release of 20 February 2009: UCB announces top-line outcomes for proof-of-concept studies

- Press release of 20 February 2009: UCB to divest Equasym®

- Press release of 6 February 2009: UCB's meeting with U.S. FDA defines path forward for Cimzia® in rheumatoid arthritis.

PART IV: TERMS AND CONDITIONS OF THE BONDS

The following is the text of the Conditions of the Bonds save for the paragraphs in italics that shall be read as complementary information.

The issue of the 5.75 per cent fixed rate Bonds due 27 November 2014 for an expected amount of minimum € 150,000,000 (the "**Bonds**", which expression shall, in these Conditions unless otherwise indicated, include any Further Bonds) was (save in respect of any Further Bonds) authorised by a unanimous written resolution of the board of directors of UCB S.A. (the "**Issuer**") passed on 15 October 2009. The Bonds are issued subject to and with the benefit of a domiciliary agency agreement to be entered into between the Issuer and Fortis Bank SA/NV acting as domiciliary agent (the "**Agent**"), which expression shall include any successor as Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**"). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at Warandeberg 3 Montagne du Parc, 1000 Brussels. The Bondholders are bound by and deemed to have notice of all the provisions of the Agency Agreement applicable to them.

References herein to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination, Title and Status

(a) Form, Denomination and Title

The Bonds are issued in dematerialised form in accordance with Article 468 of the Belgian Code of Companies (*Wetboek van Vennootschappen / Code des Sociétés*) and cannot be physically delivered. The Bonds will be exclusively represented by book entry in the records of the clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**NBB System**"). The Bonds can be held by their holders through participants in the NBB System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB System. The Bonds are accepted for clearance through the NBB System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the "**NBB System Regulations**"). Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply mutatis mutandis to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an "**Alternative Clearing System**").

The Bonds are in principal amounts of €1,000 each (the "**Specified Denomination**").

(b) Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

2 Negative Pledge

So long as any Bond remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each, a "**Security Interest**"), upon or with respect to the whole or any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds either (i) the same or substantially the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as shall be approved by an Extraordinary Resolution of the Bondholders, save that a Material Subsidiary of the Issuer may have outstanding a Security Interest in respect of Relevant Indebtedness and/or guarantees or indemnities given by it in respect of Relevant Indebtedness of any other person (without the obligation to provide a Security Interest or guarantee or indemnity or other arrangement in respect of the Bonds as aforesaid) where such Security Interest is in respect of a company or other entity becoming a Subsidiary of the Issuer after the Closing Date and where such Security Interest exists at the time that company or other entity becomes a Subsidiary of the Issuer (provided that such Security Interest was not created or assumed in contemplation of such company or other entity becoming a Subsidiary of the Issuer and that the principal amount of such Relevant Indebtedness is not subsequently increased).

3 Definitions

In these Conditions, unless otherwise provided:

"**Alternative Clearing System**" has the meaning provided in Condition 1 (*a*).

"**Bondholder**" means, in respect of any Bond, the person entitled thereto in accordance with the NBB System Regulations.

"**business day**" means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

"**Calculation Agent**" has the meaning provided in Condition 5 (*c*) (*i*).

a "**Change of Control**" shall occur if an offer is made by any person, other than an Excepted Person, to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled to acquire as a result of such offer, post completion thereof, Ordinary Shares or other voting rights of the Issuer so that it has the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer, whereby the date on which the

Change of Control shall be deemed to have occurred shall be the date of the publication by the offeror of the results of the relevant offer (and for the sake of clarity prior to any reopening of the offer in accordance with Article 42 of the Royal Decree of 27 April 2007 on Public Takeover Bids);

"**Change of Control Notice**" has the meaning provided in Condition 5(*c*)(ii).

"**Change of Control Period**" shall commence on the date of a Change of Control, and shall end 45 days after the date of the Change of Control (which period shall be extended following consummation of a Change of Control for so long as any Rating Agency has publicly announced within the period ending 45 days after the Change of Control that it is considering a possible ratings change, provided that the Change of Control Period shall not extend more than 45 days after the public announcement of such consideration).

"**Change of Control Put Exercise Period**" means the period commencing on the date of an Early Redemption Event and ending 60 calendar days following the Early Redemption Event, or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 5(*c*)(ii).

"**Change of Control Put Date**" has the meaning provided in Condition 5(*c*)(i).

"**Change of Control Put Exercise Notice**" has the meaning provided in Condition 5(*c*)(i).

"**Change of Control Resolutions**" has the meaning provided in Condition 5(*c*)(iii).

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Closing Date**" means 27 November 2009.

"**Early Redemption Event**" has the meaning provided in Condition 5(*c*)(i).

"**EUR**", "**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

"**Euroclear**" means Euroclear Bank S.A./N.V.

"**Event of Default**" has the meaning provided in Condition 8.

"**Excepted Person**" means Financière de Tubize S.A., either by itself or acting together with (i) Schwarz Vermögensverwaltung GmbH, KBC Bank N.V., Degroof Corporate Finance S.A. and Imofig S.A., Levimmo S.A., Compar Finance S.A., Pharmahold S.A. and/or Cosylva S.A. and/or (ii) any person or persons controlled by Financière de Tubize S.A. or any of the persons listed under (i) above.

"**Extraordinary Resolution**" has the meaning provided in the Agency Agreement.

"**Final Maturity Date**" means 27 November 2014.

"**Further Bonds**" means any further Bonds issued pursuant to Condition 13 and consolidated and forming a single series with the then outstanding Bonds.

"**Group**" means the Issuer and each of its Subsidiaries from time to time.

"**indebtedness for or in respect of moneys borrowed or raised**" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan capital, loan stock, certificates of deposit, commercial paper or other securities or instruments offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

"**Interest Payment Date**" has the meaning provided in Condition 4*(a)*.

"**Interest Period**" has the meaning provided in Condition 4(*a*).

"**Long Stop Date**" means 31 December 2009.

"**Material Subsidiary**" means:

(i) each Specified Entity;

(ii) any Subsidiary which (on an unconsolidated basis and ignoring intra-group items) has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as the consolidated EBITDA of the Group) representing more than 7.5 per cent. of the consolidated EBITDA of the Group, or has turnover representing more than 7.5 per cent. of turnover of the Group, all as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Issuer, provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying each of the foregoing tests, the reference to the Issuer's latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors for the time being after consultation with the Issuer; and

(iii) any Subsidiary to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (ii) above.

A certificate signed by two of the directors of the Issuer on behalf of the Issuer that in their opinion (acting in good faith and making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error or error proven, be conclusive and binding on the Issuer and the Bondholders. Such certificate shall be based on a report of the auditors of the Issuer as to proper extraction of the figures used by the directors of the Issuer in determining the Material Subsidiaries of the Issuer and the mathematical accuracy of the calculation.

"**Ordinary Shares**" means fully paid ordinary shares in the capital of the Issuer currently with no-par value.

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

"**Put Redemption Amount**" has the meaning provided in Condition 5 (*c*)(*i*).

"**Rating Agencies**" shall mean Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., Fitch, Inc., or Moody's Investors Service Inc., and their respective successors and assigns.

"**Rating Downgrade**" means any downgrade of the rating of the Issuer by a Rating Agency.

"**Relevant Date**" means, in respect of any Bond, whichever is the later of:

(i) the date on which payment in respect of it first becomes due; and

(ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 12 that such payment will be made, provided that such payment is in fact made as provided in these Conditions.

"**Relevant Indebtedness**" means any present or future indebtedness (whether being principal, premium, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments, whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market.

"**Securities**" means any securities including, without limitation, Ordinary Shares, or options, warrants or other rights to subscribe for or purchase or acquire Ordinary Shares.

"**Security Interest**" has the meaning provided in Condition 2.

"**Shareholders**" means the holders of Ordinary Shares.

"**Specified Denomination**" has the meaning provided in Condition 1 (*a*).

"**Specified Entity**" means each of UCB SP GmbH, FIN UCB SA, UCB Lux S.A., UCB, Inc., UCB Japan Company Ltd., UCB Farchin SA. Celltech Ltd, UCB Pharma Ltd., UCB Pharco Inc., UCB Coprom L.P. and UCB Manufacturing, Inc.

"**Subsidiary**" means, at any particular time, a company or other entity which is then directly or indirectly controlled, or more than 50 per cent. of whose issued share capital (or equivalent) is then beneficially owned by the Issuer and/or one or more of its respective Subsidiaries. For this purpose, for a company to be "**controlled**" by another means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the Board of Directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company.

"**TARGET Business Day**" means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto.

"**Taxes**" has the meaning provided in Condition 7.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

4 Interest

(a) Interest Rate and Interest Payment Dates

Each Bond bears interest from (and including) the Closing Date at the rate of 5.75 per cent. per annum calculated by reference to its principal amount and such interest amount is payable annually in arrear in equal instalments on 27 November in each year (each an "**Interest Payment Date**"), commencing with the Interest Payment Date falling on 27 November 2010.

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated on the basis of (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on which it falls due divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next following Interest Payment Date.

"**Interest Period**" means the period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(b) Accrual of Interest

Each Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest will continue to accrue at the rate specified in Condition 4(*a*) (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder.

5 Redemption and Purchase

(a) Final Redemption

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at their principal amount on the Final Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Conditions 5*(b)* and 5*(c)*.

(b) Redemption for taxation reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 12 (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if

(i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) Redemption at the Option of Bondholders

(i) *Upon a Change of Control*

In the event that

(A) a Change of Control occurs at the time the Issuer is not rated; *or*

(B) a Change of Control occurs at the time the Issuer is rated and within the Change of Control Period, a Rating Downgrade in respect of that Change of Control occurs,

(each an "**Early Redemption Event**"), then:

the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at the Put Redemption Amount. To exercise such right, the holder of the relevant Bond must deliver to the Issuer with a copy to the specified office of the Agent a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of the Agent (a "**Change of Control Put Exercise Notice**"), at any time during the Change of Control Put Exercise Period. The "**Change of Control Put Date**" shall be the fourteenth TARGET Business Day after the expiry of the Change of Control Put Exercise Period.

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

[Bondholders should note that the exercise by any of them of the option set out in Condition 5(c)(i) will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the Belgian Banking, Finance and Insurance Commission of a formal filing of a proposed offer to the shareholders of the Issuer or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Brussels (greffe du tribunal de commerce/griffie van de rechtbank van koophandel). The Issuer has submitted the Change of Control Resolutions for approval at the general meeting of Shareholders of the Issuer scheduled to be held on 6 November 2009. Pursuant to Condition 9 (a) the Issuer has undertaken to file a copy of the resolution as aforesaid immediately thereafter. If a Change of Control occurs prior to such approval and filing, holders will not be entitled to exercise the option set out in Condition 5(c)(i). There can be no assurance that such approval will be granted at such meeting.] ***[If the Change of Control Resolutions are passed before the Closing Date, then the Bonds will be issued without the Optional Put - cf.(iii) below]***.

If, as a result of this Condition 5 (*c*) (i), holders of the Bonds submit Change of Control Put Exercise Notices in respect of at least 85 % per cent. of the aggregate principal amount of the Bonds for the time being outstanding, the Issuer may, having given not less than 15 nor more than 30 days notice to the Bondholders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified above.

For the purposes of this Condition 5 (*c*):

"**Calculation Agent**" means Fortis Bank SA/NV or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount, and notified to the Bondholders in accordance with Condition 12;

"**Put Redemption Amount**" means an amount per Bond calculated by the Calculation Agent by multiplying the Redemption Rate by the Specified Denomination of such Bond and rounding, if necessary, the resultant figure to nearest minimum sub-unit of euro (half of such unit being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date.

"**Redemption Rate**" means MIN (101%; Exp (T x 0.7472014775%)), rounded down to the 9th decimal.

"**T**" means the time, expressed in decimals of a year, elapsed from (and including) the Closing Date until (and including) the relevant redemption date.

For the avoidance of any doubt, "Exp" means the exponential function meaning the function e^x, where e is the number (approximately 2.718) such that the function e^x equals its own derivative.

The Put Redemption Amount reflects a maximum yield of 0.75 points above the yield of the Bonds on the Issue Date up to the Maturity Date in accordance with the "Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier" (Royal decree of 26 May 1994 on the deduction of witholding tax) (the Royal Decree). The Royal Decree indeed requires that in relation to Bonds that can be traded on N accounts, if investors exercise a right to have the Bonds redeemed early, the actuarial return cannot exceed the actuarial return of the Bonds upon the issue up to the final maturity, by more than 0.75 points.

(ii) Change of Control Notice

Within 5 Brussels business days following an Early Redemption Event, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 12 (a "**Change of Control Notice**"). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 5(*c*)(i).

The Change of Control Notice shall also specify:

(i) to the fullest extent permitted by applicable law, all information material to Bondholders concerning the Change of Control;

(ii) the last day of the Change of Control Put Exercise Period;

(iii) the Change of Control Put Date;

(iv) the Put Redemption Amount.

The Agent shall not be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

(iii) If the Change of Control Resolutions are not passed

If by not later than the Long Stop Date:

(a) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or

(b) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Brussels;

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the rate of interest payable on the Bonds shall be increased by 0.50 per cent. per annum.

"**Change of Control Resolutions**" means one or more resolutions duly passed, approved or adopted at a General Meeting of Shareholders of the Issuer approving the provisions of Condition 5(*c*)(i).

(d) Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

(e) Cancellation

All Bonds which are redeemed will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or relevant Subsidiary, or surrendered to the Agent for cancellation.

(f) Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 5, the first of such notices to be given shall prevail.

6 Payments

(a) Principal, Premium and Interest

Without prejudice to Article 474 of the Belgian Code of Companies, all payments of principal, premium or interest in respect of the Bonds shall be made through the Agent and the NBB System in accordance with the NBB System Regulations.

(b) Payments

Each payment in respect of the Bonds pursuant to Condition 6 *(a)* will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(c) Payments subject to fiscal and other applicable laws

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, without prejudice to the provisions of Condition 7.

(d) Agents, etc.

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent, (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a participant in the X/N Clearing System and (iii) if required, appoint an additional paying agent, from time to time with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 12.

(e) No Charges

The Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment in respect of the Bonds.

(f) Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

(g) Non-business days

If any date for payment in respect of the Bonds is not a business day, the holder shall not be entitled to payment until the next following business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day, nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted. In this paragraph, "**business day**" means a day on which the Target System is operating.

7 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Belgium or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction of the Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

(i) **Other connection:** to a Bondholder who is liable to such Taxes in respect of such Bond by reason of his having some connection with the Kingdom of Belgium other than the mere holding of the Bond; or

(ii) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iii) **Non-Eligible Investor:** to a Bondholder, who at the time of issue of the Bonds, was not an eligible investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Bondholder who was such an eligible investor at the time of issue of the Bonds but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or

(iv) **Conversion into registered securities**: to a Bondholder who is liable to such Taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the NBB System.

8 Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing then any Bond may, by notice in writing given to the Issuer at its registered office with a copy to the Agent at its specified office by the holder, be declared immediately due and repayable at its principal amount together with accrued interest (if any) to the date of payment, without further formality unless such event shall have been remedied prior to the receipt of such notice by the Agent:

(v) Non-Payment: the Issuer fails to pay the principal of or premium or interest on any of the Bonds when due and such failure continues for a period of 7 days in the case of principal or premium and 14 days in the case of interest; or

(vi) Breach of Other Covenants, Agreements or Undertakings: the Issuer does not perform or comply with any one or more of its other covenants, agreements or undertakings in the Bonds or the Agency Agreement which default is incapable of remedy or, if capable of remedy, is not in remedied within 20 Brussels business days after notice of such default shall have been given to the Issuer by any Bondholder; or

(vii) Cross-Acceleration: (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or within five Brussels business days of becoming due if a longer grace period is not applicable or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due or, as the case may be, within any applicable grace period or within five Brussels business days if a longer grace period is not applicable, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds €30,000,000 or its equivalent; or

(viii) Enforcement Proceedings: a distress, attachment or execution is levied, enforced or sued out on or against any of the property, assets or revenues of the Issuer or any of its Material Subsidiaries having an aggregate value of at least €30,000,000 or its equivalent and is not discharged or stayed within 45 Brussels business days; or

(ix) Security Enforced: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries in respect of any of its property or assets for an amount at the relevant time of at least €30,000,000 or its equivalent becomes enforceable and

any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or

(x) Insolvency: the Issuer or any of its Material Subsidiaries is judicially determined or formally admitted to be insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or announces its intention to stop or suspend payment of all or, a material part of (or of a particular type of) its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or any particular debt, in each case which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries; or

(xi) Winding-up: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries other than a solvent liquidation or reorganisation of any Material Subsidiary, or the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by a Resolution of the Bondholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or

(xii) Analogous Events: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (c) to (g).

9 Undertakings

The Issuer

(a) (i) has submitted the Change of Control Resolutions for approval at the general meeting of Shareholders of the Issuer scheduled to be held on 6 November 2009 and (ii) has undertaken to, immediately following approval of such resolutions, file a copy thereof with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*); and

(b) will procure that the Issuer shall not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction (other than Belgium).

10 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

11 Meetings of Bondholders, Modification and Waiver

(a) Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions.

All meetings of Bondholders will be held in accordance with the provisions of Article 568 sq. of the Belgian Company Code with respect to bondholders meetings; provided however that the Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal of Brussels, the meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Belgian Company Code and to modify or waive any provision of these Conditions, provided however that the following matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum: (i) proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment; (ii) proposal to effect the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) proposal to change the currency in which amounts due in respect of the Bonds are payable; (iv) proposal to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.

Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Agency Agreement provides that a resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) Modification and Waiver

The Agent may agree, without the consent of the Bondholders, to any modification of the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement either (i) which in the Agent's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement, which is, in the opinion of the Agent, not materially prejudicial to the interests of the Bondholders.

(c) Meetings of Shareholders and Right to Information

The Bondholders shall be entitled to attend all general meetings of Shareholders of the Issuer, in accordance with Article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

12 Notices

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the Clearing System for communication by it to the Clearing System Participants and (ii) if published in two leading newspapers having general circulation in the Kingdom of Belgium (which are expected to be *L'Echo* and *De Tijd*). Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the Clearing System and (ii) the publication of the latest newspaper containing such notice.

So long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, all notices regarding the Bonds shall also be published either in a leading daily newspaper in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Company Code, by an announcement to be inserted at least fifteen days prior to the meeting, in the Belgian Official Gazette (*Moniteur belge – Belgisch Staatsblad*) and in a newspaper with national coverage. Resolutions to be submitted to the meeting must be described in the convening notice.

13 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, premium, redemption and otherwise as the Issuer may determine at the time of their issue. The Agency Agreement contains provisions for convening a single meeting of the Bondholders.

14 Governing Law and Jurisdiction

(a) Governing Law

The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

(b) Jurisdiction

The courts of Brussels, Belgium are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement or the Bonds ("Proceedings") may be brought in such courts. The Issuer has in the Agency Agreement irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue. These submissions are made for the benefit each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

PART V: CLEARING

The Bonds will be accepted for clearance through the Clearing System under the ISIN number BE6000431112 and Common Code 046275179 with respect to the Bonds, and will accordingly be subject to the NBB System Regulations. A5 - 4.1

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB.

Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds.

Clearing System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds will be effected between Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Bonds.

The Agent will perform the obligations of domiciliary agent included in the Clearing Agreement.

The Issuer and the Agent will not have any responsibility for the proper performance by the Clearing System or its Clearing System participants of their obligations under their respective rules and operating procedures.

PART VI: DESCRIPTION OF ISSUER

1. SUMMARY

A4 – 5.1

The UCB Group is a global biopharmaceutical company, headquartered in Brussels (Belgium). The UCB Group develops and markets human pharmaceutical products for the treatment of severe central nervous system (or CNS) and immunology disorders.

The strategy of the UCB Group is driven by its ambition to become a leading global next generation biopharmaceutical company focused on the treatment of severe diseases. The UCB Group differentiates itself by focusing on a patient-driven approach to developing treatments for a range of severe CNS and immunology disorders, including epilepsy, Parkinson's disease, restless leg syndrome, Crohn's disease and rheumatoid arthritis. In recent years the UCB Group has become more streamlined to enable it to focus on these core areas of CNS and immunology treatment, with other areas, such as oncology being developed in concert with partners. UCB also has a successful primary care business and it is dedicated to optimizing its value. This, together with a more focused investment strategy across products and markets, has simplified the organisation, providing a basis to improve competitiveness.

A4 – 6.1

The key marketed products of the UCB Group are Vimpat®, Neupro® and Keppra® (including Keppra®XR) for CNS diseases. For immunology, the key marketed product is Cimzia®. Other significant marketed products include Zyrtec®, Xyzal®, Tussionex®, venlafaxine, Nootropil®, Innovair® and MetadateCD™. While Keppra® lost exclusivity in the U.S. at the end of 2008, the generic erosion has been within the normal pattern of generic erosion of similar products.

A4 – 6.1.1

The currently marketed products of the UCB Group are anticipated to be supplemented by a research and development pipeline focusing on the following CNS diseases: epilepsy, diabetic neuropathic pain, restless leg syndrome, advanced Parkinson's disease and fibromyalgia. Research and development is also sustained in respect of the following immunology disorders: Crohn's disease, rheumatoid arthritis, systemic lupus erythematosus, bone loss disorders and other autoimmune diseases. Through its partnership with Pfizer, the Issuer also participates in the over-active bladder disease area, but the Issuer is not actively pursuing research and development in this area. The UCB Group believes that the concentration of its research and development efforts on a limited range of severe diseases increases the likelihood of significant, high-value innovations. Research at the UCB Group has two Centres of Excellence which are located in Slough (United Kingdom) and Braine-l'Alleud (Belgium). The UCB Group invested €767 million in research and development expenditure in 2008. For the six months ending 30 June 2009 research and development expenditure of the UCB Group amounted to €323 million.

A4 – 6.1.2

The principal geographic markets of the UCB Group are: Europe with 47 per cent. of sales, the United States with 40 per cent. of sales, and the rest of the world contributing the remaining 13 per cent. of sales of the UCB Group in 2008. Total net sales in 2008 were of €3,027 million.

A4 – 6.2

Employing approximately 9,780 people and operating in more than forty countries, the UCB Group generated revenues of €3.6 billion in 2008 with underlying profitability (recurring EBITDA) reaching €733 million. For the first half of 2009, these numbers amounted to €1,596 million and €363 million, respectively.

2. HISTORY AND FORMATION

In 1928, 13 Belgian industrial companies were merged into a public company under the name "Union Chimique Belge", manufacturing various intermediate chemicals. A research unit was founded through the acquisition of another Belgian company, which formed the basis of the pharmaceutical business. The first pharmaceutical products were launched by Union Chimique Belge in the early 1950s. In 1961, Union Chimique Belge merged with a manufacturer of cellulose films, Societe Industrielle de la Cellulose ("Sidac"), the Issuer's legal predecessor created in 1925, and with two further Belgian entities manufacturing textiles to form Union Chimique-Chemische Bedrijven, with 14 factories employing approximately 10,000 people.

By 1970 the two textile-producing entities had been divested, allowing UCB (as it was renamed) to focus on activities in three main sectors: pharmaceuticals, chemicals and films, each of which grew over the next 20 years. In the pharmaceutical business, Nootropil® was launched in 1972, forming the basis of an international distribution network and pharmaceutical premises at Braine-l'Alleud (Belgium). In 1987, Zyrtec® was launched, becoming the key product for the UCB Group until 2005 when it was replaced as the UCB Group's key product by Keppra®. During this period international expansion continued with the acquisition of pharmaceutical companies in the U.S. in 1994 and in Asia in 2000, with further subsidiaries also being established simultaneously in the latter region.

In the chemical division, UCB sold the fertilizer activities in 1982 to focus on high value activities such as certain intermediates and speciality chemicals. In 1995, the ftalates business was sold to Sisas (an Italian chemicals group), and in 2003 the methylamines business was also sold. The remainder of the chemical business was sold to Cytec Industries in February 2005. While development continued in the films business during the 1980s, overall the business was in decline and plants were closed in the UK, Belgium and Spain. The remainder of the films business was sold in September 2004 to a UK based consortium.

Since 2004, the UCB Group has focused solely on biopharmaceutical activities, with the acquisition of Celltech in 2004 and Schwarz Pharma in 2006 strengthening the medium-term pipeline of products in development, as well as expanding the current product portfolio. More recently in 2009 the UCB Group divested of certain of its non-core products in non-core territories to GSK Trading Limited.

3. FINANCIAL HIGHLIGHTS

A4 – 3.1
A4 – 13.2

Summary of Group Financial Data (Consolidated figures - *EUR Millions*) based on 2008 and 2007 Issuer's Annual Reports:

	Actual	
	2008	2007
Revenue	**3 601**	**3 626**
Net sales	3 027	3 188
Royalty income & fees	396	294
Other revenue	178	144
Gross profit[1]	**2 455**	**2 579**
excluding inventory set-up		2 672

Marketing & selling expenses	(928)	(1 054)
Research & development expenses	(767)	(788)
General & administrative expenses	(227)	(267)
Other operating income/(expenses)	(1)	10
Recurring EBIT (REBIT)[1]	**531**	**480**
excluding inventory set-up		**573**
Non-recurring income/(expenses)	(417)	(136)
EBIT (operating profit)[1]	**113**	**344**
Net financial expenses	(156)	(125)
Profit before income taxes	**(43)**	**219**
Income tax expenses	30	(60)
Profit from continuing operations	**(12)**	**159**
Profit from discontinuing operations	**55**	**2**
Net profit (after minority interests)	**42**	**160**
Recurring EBITDA	**733**	**741**
Adjusted net profit[2]	**270**	**292**
Number of shares non-diluted	**180**	**180**
EPS (per non-diluted share)	**0.24**	**0.89**
Adjusted EPS (per non-diluted share)	**1.50**	**1.62**

[1] After acquisition-related inventory step-up for 2007

[2] Adjusted for after- tax impact of one-off items, contribution from discontinued operations and inventory step-up

Summary of Group Financial Data (Consolidated figures - *EUR Millions*) based on Half-Year Report 2009: A4 – 3.2

For the six months ended 30 June[1]	Actual	
	2009	2008
Revenue	**1 596**	**1 691**
Net sales	1 379	1 535
Royalty income & fees	114	84
Other revenue	103	72
Gross profit	**1 087**	**1 214**
Marketing & selling expenses	(421)	(455)
Research & development expenses	(323)	(370)
General & administrative expenses	(99)	(119)
Other operating income/(expenses)	2	(6)
Recurring EBIT (REBIT)	**246**	**263**
Non-recurring income/(expenses)	461	(39)
EBIT (operating profit)	**707**	**224**
Net financial expenses	(55)	(69)
Profit before income taxes	**652**	**155**
Income tax expenses	(137)	(48)

Profit from continuing operations	**515**	**107**
Profit from discontinuing operations	1	1
Net profit (after minority interests)	**516**	**108**
Recurring EBITDA	**363**	**358**
Adjusted net profit[2]	**135**	**143**
Capital expenditures (including intangible assets)	34	73
Net financial debt	2 166	2 443
Cash flow operating activities	(45)	185
Number of shares non-diluted	**180**	**180**
EPS (€ per non-diluted share)	**2.86**	**0.59**
Adjusted EPS (€ per non-diluted share)	**0.75**	**0.79**

[1] Except for the net financial debt, where 2008 relates to the situation as published in the audited consolidated financial statements as at 31 December 2008.

[2] Adjusted for after- tax impact of one-off items and after-tax contribution from discontinued operations.

4. CURRENT ORGANISATIONAL STRUCTURE

UCB is the holding company of the UCB Group, with over 130 subsidiaries, the large majority of which are directly or indirectly wholly owned. A complete list of the subsidiaries of the UCB Group is incorporated at Part X, "Associated Companies and Shareholdings". A4 – 7.1

The current structure of the UCB Group has evolved through the implementation of the SHAPE programme in late 2008 and 2009 which has streamlined management and focused investment across the UCB Group. A particular emphasis of the SHAPE programme has been to establish partnerships or joint ventures in core disease areas, in addition to which the Issuer is also increasingly using partnerships with outsourcing providers to perform a range of activities. These include activities along the value chain, ranging from strategic research work in UCB NewMedicines™ and the processing of non-serious cases in the pharmacovigilance function to transactional activities in support functions such as finance. This allows the Issuer to access skills beyond its current capacities, and the Issuer believes that it benefits from efficiencies in cost savings and process improvements throughout the organisation.

(a) UCB NewMedicines™

UCB NewMedicines™ is responsible for new drug generation for the Issuer, comprising research, formulation and non-clinical departments. UCB NewMedicines™ has an increased emphasis on external collaboration and research in order to sustain pipeline innovation. UCB NewMedicines™ employs a collaborative external approach to access cutting-edge knowledge and ideas, carefully selecting appropriate discovery research and early stage clinical partnerships and collaborations to enrich its activities and seeking partners from multiple sources, both in industry and in academia. The use of 'incubators' enables external experts to complement and strengthen the science within UCB NewMedicines™ as well as allowing non-core inventions to be taken forwards outside the organisation. Outsourcing and increased virtual working is also bringing in external expertise while allowing a sharper focus for internal resources.

In 2008, the Issuer announced several government-funded research collaborations illustrating how UCB NewMedicines™ is strengthening its early research capabilities through external partnerships. A range of funding agreements have been implemented with the Walloon regional government in Belgium which are intended to support collaborative research into CNS disorders. In a separate collaboration, the Issuer and Pfizer announced the formation of a new joint venture, cyclofluidic, a breakthrough technology organisation established with the aim of significantly accelerating the drug discovery process. The UK Governments' Technology Strategy Board has helped facilitate this arrangement and will continue to support cyclofluidic by co-funding its research and development.

In deciding to focus on research in CNS and immunology, an alternative solution for the Issuer's oncology research projects was needed. In a new deal structure, the Issuer is investing in and collaborating with Wilex AG which will now develop the oncology research project portfolio. UCB has also formed strategic collaborations with two Indian companies. With Inogent, UCB NewMedicines™ and technical operations access high quality, skilled resources which then enable the Issuer to employ its own resources more efficiently. UCB NewMedicines™ also now has an alliance with SAI Advantium Pharma Ltd in the area of discovery chemistry. UCB NewMedicines™ pursues a collaborative approach where appropriate and other partnerships have been formed throughout 2008. Collaborations with companies such as Proteros and deCODE allow the Issuer to access specialist technologies, which it has also done with key academic institutions such as King's College, London and the University of California in San Francisco.

(b) Global Projects & Development

Global Projects & Development is responsible for moving products from Phase I through full development efficiently and in close consultation with the regulatory authorities to secure marketing approvals for new drugs. Drug development in the Issuer involves many functions across the Issuer, both within and external to Global Projects & Development. It is organised around empowered project teams responsible for pipeline projects, from candidate selection to the market, through the various life cycle management activities which seek to maximise patient benefit and the economic value of a molecule. These teams take time to understand and consider the disease, its effect on patients and the science behind it. Each project team brings multiple disciplines to the task and continues its work on a drug well beyond its clinical development phase. UCB believes that the key to success in drug development resides in empowering the project teams to ensure that decisions are taken promptly and are implemented in the optimal manner. Adherence to this concept has given the Issuer a track record of success in drug development, resulting in numerous regulatory approvals around the world.

This broad expertise produces informed and directed activity around the development of a new product. With a keen understanding of a disease, its underlying mechanisms and its impact on the patient, the Issuer is better able to target its therapies at patients to address needs that are currently unmet.

5. KEY STRENGTHS AND STRATEGIES OF THE UCB GROUP

Key strengths of the UCB Group include:

(a) Strong product range

The UCB Group has a history of developing effective and commercially successful products, such as Keppra® and Zyrtec®. The UCB Group is now focused on developing and protecting a further range

of new products in the CNS and immunology areas. The current product range includes Cimzia®, which made an immediate market impact following its launch in Switzerland in January 2008 and in the U.S. in April 2008 as a treatment for Crohn's disease with sales of €10 million in its first year and €23 million in the first half of 2009, and which is also approved for the treatment of rheumatoid arthritis in the U.S. in May 2009; and Vimpat®, which has been prescribed to over 13,000 patients in Europe since its launch in September 2008. Despite its initial supply chain issues, Neupro® has been prescribed to approximately 30,000 patients in Europe following its launch in September 2007. Neupro® was restored to full commercialisation in the EU in June 2009 and is currently being launched in restless legs syndrome, its second movement disorder indication.

(b) Focus on developing a pipeline of products

The UCB Group is committed to developing a pipeline of effective, commercially successful specialist products for the treatment of CNS and immunology disorders. With eight different molecular entities for ten different severe diseases in CNS and immunology, UCB has a solid development pipeline. With seven regulatory approvals, including three new molecular entities ("NMEs") in the U.S., and six new regulatory filings in 2008, the Issuer also has a track record of bringing new therapies to the patient. In 2008, the Issuer was the only company to have three NME's approved by the FDA, a notable achievement given that the 15 largest pharmaceutical companies average less than three NMEs each over a five year period.

(c) Commitment to research and development of new products

UCB NewMedicines™ was launched in October 2008 with the aim of focusing on early discovery research through to clinical proof-of-concept for products showing efficacy in target diseases. UCB NewMedicines™ was established to secure the future pipeline of the Issuer, and dedicated resources span all required disciplines for projects through these early phases. The organisation is highly networked with the external world to access novel technologies, collaborators and services, with several drug discovery alliances and more then 80 university partnerships. Using a disseminated discovery approach to early research which the Issuer believes fosters an environment for innovation, UCB NewMedicines™ aims to optimise early investment with a mix of internal and external projects. This is designed to facilitate the delivery of high-value, differentiated projects with which to create the Issuer's future pipeline.

(d) Global footprint

With operations in more than 40 countries and 19 of the top 20 pharmaceutical markets, the Issuer has fully integrated operations in the world's more established pharmaceutical markets, including the U.S., Japan, Germany, France, Italy, the UK, Spain and Canada.

(e) Leading role in developing epilepsy treatments

The UCB Group has a trusted heritage within, and proven commitment to, the epilepsy community, with Keppra® (levetiracetam) providing significant relief for many sufferers. the Issuer continues to develop new products in this area, with Vimpat® (lacosamide) being launched in Europe and the U.S. in late 2008 and mid 2009 respectively. Keppra®XR was launched in the U.S. in October 2008, offering patients a simplified treatment and an opportunity to achieve improved seizure control. In addition, the

Issuer is developing from its strong presence in epilepsy into additional neurological indications such as movement and sleep disorders, building on its reputation in the field of neurology.

(f) Experienced scientific and management teams

Scientists at the Issuer are well-regarded in their respective fields, and management teams have significant experience in the pharmaceutical industry. Within the Issuer, the scientists and management teams work together to bring products through to patients efficiently and are committed to the Issuer's goal of putting the patient at the focal point of innovation, with the aim of producing new therapies which have a tangible positive impact on sufferers of severe CNS and immunology disorders.

The key strategies which the Issuer employs to develop and maximise the potential in its business include:

(a) Successful commercialisation and launch of new products

The UCB Group is focused on the successful launch of new products with the aim of achieving commercial success. In 2008, five new products were launched, including Cimzia® (in the U.S.), Toviaz® (a product developed by the Issuer but marketed by Pfizer) (in the EU), Vimpat® (in Germany and the UK), Keppra®XR (in the U.S.) and Xyzal® oral solution (in the U.S.); and during the first half of 2009, four further products were launched: Vimpat® (in the U.S.), Toviaz® (in the U.S.), Neupro® (in the EU) and Cimzia® (in the U.S.).

(b) Continued commercialisation of products no longer protected by patents

While Keppra®, a market leader in the treatment of epilepsy in the U.S. and Europe, ceased having exclusivity from generic competition in the U.S. in November 2008, during 2008 its worldwide net sales grew by 23 per cent. over 2007 sales to €1,266 million. The negative impact of Keppra®'s loss of exclusivity on U.S. sales was partially compensated by the launch of Keppra®XR in the U.S. and Vimpat® in Europe during 2008, and the expansion of Keppra® into significant emerging markets, such as China, India and Korea, where sales in 2008 increased by 47 per cent., compared with 2007, to €60 million. Further, sales of Keppra® in Europe increased by 29 per cent. during 2008. Keppra® is also being co-developed by the Issuer and Otsuka Pharmaceuticals in Japan, with regulatory approval in its first epilepsy indication expected in 2010. In Europe, following expiry of the basic protection for the active ingredient, *levocetirizine,* Xyzal® continues to perform well. However recent registration of various generic versions of *levocetirizine* and attacks on the patent covering its key indications may see sales decline.

Some products, such as Nootropil®, are no longer actively promoted in major market geographies by the Issuer, but they retain a steady or slowly declining market share and sales, and therefore provide a reliable source of income for the business and are continuing to grow in some of the Issuer's major emerging country operations.

(c) Focus on development of the pipeline

The strategic split of the research and development function between UCB NewMedicines™ and Global Projects & Development is designed to allow better allocation of resources between the development of molecules to clinical proof-of-concept and bringing such concepts through to the

delivery of products to the market, and ensuring optimal management of their life cycle. UCB is committed to maintaining its focus on the development of new products in CNS and immunology, and resources continue to be allocated accordingly. UCB NewMedicines™ is highly networked with the external world to access novel technologies, collaborators and services, with several drug discovery alliances and more then 80 university partnerships. At present, Global Projects & Development is focusing on a pipeline which includes a novel treatment for systemic lupus erythematosus (a disease for which no new treatment has been registered for over 50 years), bone loss disorders, diabetic neuropathic pain and a new form of treatment for epilepsy in the form of brivaretecam, in addition to pursuing further indications for existing products such as Neupro® and Cimzia®.

(d) Optimising the life cycle of products

UCB endeavours to extract as much value as it is able to from its products and their respective intellectual property by the active management of product life cycles. The planning and timing of applications for new indications of products, broadening the patient base, and introducing products into new geographical areas, is managed centrally through the project teams with the intention of bringing treatment benefits to patients with unmet medical needs, which is expected to result in commercial success for UCB products.

6. BUSINESS DIVISIONS/CORE THERAPEUTIC AREAS

The biopharmaceuticals business segment is the core business of the UCB Group. This includes research, development, manufacturing and marketing of products in the therapeutic fields of severe central nervous system and immunology disorders.

(a) Central Nervous System

Summary

The market for central nervous system diseases covers various therapeutic areas, in particular insomnia, Parkinson's disease, depression, anxiety, bipolar disorder, schizophrenia, Alzheimer's disease, migraine, fibromyalgia and epilepsy. The UCB Group focuses primarily on epilepsy, Parkinson's disease and restless legs syndrome, and is also marketing compounds in other CNS therapeutic areas.

The anti-epileptic market consists primarily of benzodiazepines and anti-epileptic drugs ("AEDs"). The global AED market, including drugs which are also approved for other indications such as migraine, neuropathic pain and others, had an approximate annual volume of €3.2 billion in six of the major geographical markets in 2008, with approximately 6 million patients across the seven major markets. Keppra®, Keppra®XR and Vimpat® are AEDs produced by the Issuer, with Vimpat® most recently launched to a positive response by physicians.

Parkinson's disease is a CNS disorder resulting from the loss of dopamine-producing brain cells leading to trembling, tremors, stiffness of limbs, slowness of movement and impaired balance and coordination. There is no cure, but medication provides relief from the symptoms. The approximate size of the five major European markets in 2008 was €790 million, with approximately three million patients across the seven major markets. Neupro® was launched to treat early stage and advanced Parkinson's disease during 2006 and early 2007 in the EU, and in early 2007 in the U.S. in relation to early stage idiopathic

Parkinson's disease. Following a recall in the U.S. and an agreement with the EMEA to cease promotion of the product and not to add any new patients in 2008, Neupro® has now been reintroduced in full in the EU, and discussions are ongoing with the FDA in relation to distribution in the U.S., the outcome of which is not certain.

Restless legs syndrome is a neurological condition that is characterised by an irresistible urge to move one's legs. The cause is unknown, but is suspected to be related to a lack of dopamine in the brain. It is a lifelong condition without cure, with few treatments available to assist with moderate-to-severe restless legs syndrome. The prevalence of restless legs syndrome was approximately 54 million sufferers in the seven major markets in 2008, with an estimated market size of €100 million for the five major European markets and approximately two times this market size in the U.S., although this is being diminished by the increased genericisation of the leading products. Neupro® was approved to treat the symptoms of moderate-to-severe idiopathic restless legs syndrome in adults in the EU in September 2008, and was launched in mid 2009.

Diabetic neuropathic pain is associated with a functional abnormality of the nervous system, of which there are several sub-types. Symptoms differ depending on the nerves affected, and it is very difficult to treat with only 40-60 per cent. of patients achieving partial relief. However, it is estimated that this condition affects 10 million patients in the seven major markets, with an approximate market size of €390 million in 2008.

The CNS development pipeline of the UCB Group includes, among others, brivaracetam for the treatment of epilepsy, Neupro® (rotigotine transdermal system) for the treatment of advanced Parkinson's disease in the U.S., rotigotine nasal spray for the treatment of restless legs syndrome and Vimpat® to treat both epilepsy (monotherapy indication in the U.S.) and diabetic neuropathic pain in the U.S. and EU.

Strategy/Trend

The UCB Group has established itself as an important participant in the CNS market through innovation in drug discovery and development as well as a strong commercial performance. The UCB Group has established an independent presence within the CNS market which will support the ongoing development and commercialization of future CNS products. This includes products whose indications extend beyond the area of epilepsy, in particular into the treatment of Parkinson's disease, restless leg syndrome, diabetic neuropathic pain and fibromyalgia.

Major Products

Vimpat®

In September 2008, the new antiepileptic drug Vimpat® was approved in Europe as adjunctive therapy for the treatment of partial-onset seizures with or without secondary generalisation in patients with epilepsy aged 16 years and older. In the U.S., the FDA approved Vimpat® in October 2008 as an add-on therapy for the treatment of partial-onset seizures in people with epilepsy aged 17 years and older.

Vimpat® has a novel mode of action and, in clinical trials, improved partial-onset seizure control in a significant number of people with uncontrolled partial-onset seizures, when added to a wide range of first and second generation antiepileptic drugs. UCB believes that Vimpat® therefore has the potential

to become a first choice treatment to add to both older and newer antiepileptic drugs. Vimpat® has been approved in multiple oral and intravenous formulations.

Within days of its European approval, Vimpat® was launched in Germany and the UK, and physicians responded positively to the product. Over 13,000 patients have been prescribed Vimpat® in Europe as of June 2009, resulting in net sales of approximately €5 million as at 30 June 2009. Specifically, around 6,000 patients in Germany and 1,800 in the UK benefit from Vimpat®, and in Germany the Issuer believes that the launch outperformed the two most recent AED launches. Vimpat® was launched in the U.S. in June 2009, and 2,900 patients received a prescription in the first two months with net sales estimated at €18 million by 30 June 2009.

Neupro®

The UCB Parkinson's disease patch, Neupro®, delivers treatment to mimic the action of dopamine continuously through the skin, providing stable drug levels in the bloodstream 24 hours a day. In the U.S., Neupro® was launched in 2007 for the treatment of the signs and symptoms of early-stage idiopathic Parkinson's disease. UCB recalled Neupro® from the U.S. market in March 2008, after ongoing monitoring revealed a deviation from the approved product specification and crystal formulation in some batches. In December 2008, the Issuer received a Complete Response Letter from the FDA which concluded that there was substantial evidence of effectiveness of Neupro® in patients with advanced Parkinson's disease. However, the Issuer must first resolve the issue of crystal formation in the patches before re-launching the drug in the U.S. The dialogue between the Issuer and the FDA regarding this issue is ongoing, with an extensive update on Neupro® and data concerning the cold-chain storage and distribution system being submitted to the FDA in July 2009, however the outcome of such dialogue is not certain.

In Europe, Neupro® is indicated for the treatment of the signs and symptoms of early-stage idiopathic Parkinson's disease as monotherapy, or in combination with levodopa over the course of the disease, through to late stages. A complete cold-chain storage and distribution system successfully implemented by September 2008 has helped control the crystal formation issue and allowed existing patients to continue their therapy. In June 2009 this storage and distribution system was approved by the EU and Neupro® is available again to all patients suffering from Parkinson's disease, including to new patients, in Europe.

Neupro® was also approved by the EMEA for the treatment of restless leg syndrome in September 2008, and following approval of the cold chain storage and distribution system within the EU was launched there. There are now approximately 30,000 patients in Europe currently being prescribed Neupro®.

The FDA accepted the supplemental new drug application for Neupro® as a treatment for moderate-to-severe restless leg syndrome in December 2007. A response was provided in December 2008 concluding that there was substantial evidence of effectiveness of Neupro® in patients with restless leg syndrome. As discussed above, dialogue with the FDA regarding approval of Neupro® in both this indication and in relation to Parkinson's disease is ongoing, and remains subject to FDA approval of the cold-chain storage and distribution system proposed by the Issuer.

Keppra®

Keppra® is one of the core products of the UCB Group, indicated for the treatment of certain types of epilepsy. During its period of patent protection it was a key product for the UCB Group, with a leading market share in terms of revenue in all key markets. U.S. patent protection for Keppra® expired in November 2008, however generic erosion of Keppra® sales has remained within expectations. In addition, such erosion has been partially compensated however by the launch of Keppra®XR in the U.S. and of Vimpat® in Europe during 2008, and the expansion of Keppra® into major emerging markets such as China, India and Korea, where sales in 2008 increased by 88 per cent. over 2007, to €10 million. Further, sales of Keppra® in Europe increased by 29 per cent. during 2008. The impact of U.S. generic erosion has remained within expectations, with a brand retention of 23 per cent. 35 weeks after the loss of exclusivity.

In Japan, Keppra® is being co-developed by UCB and Otsuka Pharmaceuticals, with a file submitted to the Japanese PMDA for regulatory approval in November 2008. At present, first generation older AEDs lead sales in Japan, with only three second generation AED approvals since 2006. Approval for Keppra® in Japan is anticipated during 2010.

Keppra®XR

The once daily formulation, Keppra®XR (extended release tablets), was approved as an add-on therapy for the treatment of partial-onset seizures in people with epilepsy who are 16 years of age and older in the U.S. in September 2008. Keppra®XR offers patients simplified treatment and another opportunity to achieve improved seizure control. Sales of Keppra®XR in the U.S. in the first half of 2009 were €20 million.

Product Pipeline

Brivaracetam is a broad-spectrum anti-epileptic product in development, for which headline Phase III efficacy and safety data were seen in April 2009. One efficacy trial and the safety trial met their primary endpoints, but a second efficacy study did not meet its primary endpoint. Further detailed analysis of the clinical data in these trials is needed in order to better understand the potential of the drug. A significant pipeline is in place containing additional products for the treatment of CNS disorders, with a Phase III trial ongoing for the use of Vimpat® as a diabetic neuropathic pain treatment in addition to further epilepsy indications in the U.S..

Separately, the Issuer is, in conjunction with Jazz Pharmaceuticals, developing Xyrem®, a treatment for fibromyalgia which has recently completed two positive Phase III studies and is in the process of full data analysis and preparation of the registration files in the EU. UCB is currently marketing Xyrem® in the EU for the treatment of narcolepsy with cataplexy in adult patients.

For a more detailed description of the product pipeline in the CNS field see Section 7, "Research and Development" of this Part VI.

(b) Immunology

Summary

The overall immunology market includes the treatment of autoimmune diseases, inflammation and allergy and comprises several therapeutic categories of drugs. These drugs target the treatment of a variety of autoimmune and inflammatory conditions, such as inflammatory bowel disorders (including

Crohn's disease and ulcerative colitis), rheumatoid arthritis, asthma, allergic rhinitis, psoriasis and urticaria.

The UCB Group has a long history of scientific and commercial presence in this field, primarily through its discovery of several generations of anti-histamines for the treatment of allergic rhinitis and chronic idiopathic urticaria. Following the acquisition of Celltech in 2004, the Issuer decided to streamline its operations to focus on specialist immunology products with a focus on Crohn's disease and rheumatoid arthritis, among others. More recently, pipeline products are targeting disorders such as systemic lupus erythematosus and bone loss disorders.

Crohn's disease is an autoimmune disease causing chronic inflammation of the GI tract. The cause is not known, and the disease fluctuates between remission and relapse. Treatments aim to reduce symptoms, and there is a market of approximately 0.9 million patients across the seven major markets, with a market size of €0.9 billion in 2008. Cimzia® has been successful since its launch in the U.S. and Switzerland in January 2008, gaining a 7 per cent. share of the U.S. Crohn's disease market by value.

Rheumatoid arthritis is a debilitating disease causing chronic and progressive inflammation of the joints. While no cure is known, treatments can reduce joint inflammation and pain, maximise joint function and prevent joint destruction and deformity. It is estimated that this condition affects five million patients in the seven major markets, with an approximate market value of €5.8 billion in 2008.

Bone loss disorders are characterised by a loss of bone mass or the presence of fragility fractures, with a high level of morbidity and loss of physical independence. Treatments for osteoporosis are available, but to have a significant impact on the patient the quality of bone restored needs to improve. It is estimated that this condition affects 64 million patients in the seven major markets, with an approximate market value of €5.7 billion in 2008.

Systemic lupus erythematosus is an autoimmune disease of unknown cause causing inflammation and damage to various body tissues. Symptoms can be mild or serious, and while there is no known cure it can be treated effectively. It is estimated that this condition affects 0.6 million patients in the seven major markets, with an approximate market value of €670 million in 2007.

Strategy/Trend

The UCB Group is focused on severe immunology disorders, such as Crohn's disease and rheumatoid arthritis, in line with its specialist approach to the development of immunology products. There are a number of products in the pipeline which are anticipated to continue this trend.

Major Products

Cimzia®

The use of Cimzia® in Crohn's disease was approved and successfully launched in Switzerland in January 2008 and in the U.S. in April 2008, generating sales of approximately €10 million during 2008 and €23 million in the first half of 2009. Since launch, more than 5,000 gastroenterologists have enrolled in the UCB CIMplicity programme, which helps patients with nursing and reimbursement support. More than 6,000 people suffering from Crohn's disease have benefited from Cimzia® since its launch, with Cimzia® achieving a market share of 18 per cent. of the total subcutaneous anti-TNF market in Crohn's disease. Long term remission data from users is now becoming available, indicating

that remission is possible with no dose escalation. Cimzia® is also widely reimbursed by insurance companies in the U.S.. In the EU, the Committee of Medicinal Products for Human Use ("CHMP") rejected the appeal by the Issuer against the CHMP's refusal of marketing authorisation for Cimzia® in the treatment of patients with Crohn's disease in March 2008, and this indication has not been pursued further.

Cimzia® is also now indicated for rheumatoid arthritis, having been filed with the FDA in February 2008 and in the EU in July 2008. In January 2009 the Issuer received a Complete Response Letter from the FDA, requesting an additional safety update. In February 2009 the Issuer met with the FDA to clarify their questions, and provided the FDA with further data. The FDA approved the application, and the use of Cimzia® in rheumatoid arthritis was launched in the U.S. in May 2009. Since launch in the U.S., Cimzia® sales representatives have achieved a high reach and frequency with prescribing rheumatologists, and Cimzia® received a positive market acceptance with steadily increasing usage. A CHMP positive opinion in Europe for the use of Cimzia® in rheumatoid arthritis was received in June 2009; as at the date of this Prospectus, EU marketing authorisation for Cimzia® is anticipated within three months, and Cimzia® should be launched in the EU by the end of 2009. In June 2008, UCB and Otsuka Pharmaceuticals announced a co-promotion and co-development agreement whereby the parties will collaborate in relation to the clinical trials and filing of Cimzia® in Japan. Clinical trials for the rheumatoid arthritis indication have commenced and first results are anticipated in 2011.

Cimzia® is marketed both by the Issuer itself and by a number of third parties which have entered into arrangements with UCB whereby they market and distribute Cimzia® in specific geographic areas, and receive royalties from the product sales. Such royalties in total amount to approximately 10 per cent. of the total sales revenues relating to Cimzia®.

Product Pipeline

A number of indications are being developed for Cimzia®, including Phase III trials in psoriatic arthritis and ankylosing spondilytis. A clinical study for juvenile rheumatoid arthritis is being planned for the second half of 2010, and further studies of monotherapy use or use of the product in conjunction with methotrexate are ongoing in Japan, with results expected in 2011. An induction study for Crohn's disease is ongoing with results due in the first part of 2010.

Epratuzumab, licensed from Immunomedics Inc., is in development for the treatment of systemic lupus erythematosus, a chronic autoimmune disease in which the immune system attacks cells and tissues in the body, resulting in inflammation and tissue damage. The course of the disease is highly variable and may flare up sporadically. The cause is unknown, and November 2008 marked 50 years without a new approved treatment for the condition. The top line results from Phase IIb testing were positive, published in August 2009.

UCB is also developing products for the treatment of osteoporosis, a disease characterised by low bone mass and structural deterioration of bone tissue leading to bone fragility and increased susceptibility to fractures. Current therapies slow the deterioration but do not restore or improve the quality of bone. Similarly, fracture healing is a widely-experienced process where the body facilitates the healing of the bone, usually taking two to three weeks in the upper body and four weeks in the lower body, depending on the injury. UCB intends to meet a perceived need to accelerate this process with the development of CDP7851, for which Phase II Studies have commenced with results expected in 2012. UCB is collaborating with Amgen Inc. on the global development of CDP7851 and the companies have previously presented results of pre-clinical studies.

For a more detailed description of the product pipeline in the immunology field see Section 7, "Research and Development" of this Part VI.

(c) Primary Care Products

UCB streamlined its organisation during the course of 2008 in order to focus on the development and marketing of specialist products with which it can be competitive without incurring high distribution and sales costs. With this in mind the Issuer no longer focuses on allergy, anti-histamine and other primary care products as described below. However, these products continue to produce significant revenue and profitability for the UCB Group.

Xyzal®

Xyzal® is an allergy treatment indicated for the symptomatic treatment of allergic rhinitis, including persistent allergic rhinitis, and chronic idiopathic urticaria in adults and children over six months. In the U.S., Xyzal® is co-promoted with Sanofi-Aventis US LLC on the basis of a profit share arrangement. *Levocetirizine*, the active ingredient in Xyzal® is covered by an exclusive patent in the U.S. owned by Sepracor Inc. relating to the use of *levocetirizine* in asthma and rhinitis, which is currently being contested in the U.S. courts.

In Europe, Xyzal® was first launched in Germany and the UK in 2001 and is now available across the EU, marketed by the Issuer. Xyzal® continues to perform well, however recent registration of various generic versions of *levocetirizine* and successful attacks in certain countries on the patent covering its key indications is likely to result in a decline in sales. Xyzal® in Japan was licensed in full to GlaxoSmithKline K.K. in 2008.

Zyrtec®

Zyrtec® is an antihistamine used to treat the symptoms of seasonal allergic rhinitis, perennial allergic rhinitis and chronic idiopathic urticaria. While Zyrtec® had been a key product in establishing and sustaining the UCB Group, patent protection expired in December 2007. In 2008, sales of Zyrtec® decreased by €238 million (49 per cent.) to €249 million, reflecting the impact of generic competition in the U.S. and Europe and lower sales in emerging markets. However, during the first half of 2009 sales increased by 28 per cent. to €169 million, due to a number of factors including an increase of 65 per cent. in sales in Japan following the successful launch of the paediatric indication in April 2009. McNeil PPC, Inc. is licensed to distribute Zyrtec® in the U.S..

Other

There are a number of other products which are part of the UCB portfolio, including (but not limited to) Tussionex®, a cough and cold treatment which remains a strong seller for the UCB Group, with sales of €67 million in the first half of 2009. Similarly, Nootropil® belongs to a family of cognition enhancing medicines called nootropics. It was first marketed for the treatment of vertigo and events associated with ageing. It is currently approved in over 100 countries for use in adults and the elderly. MetadateCD™ is a product used to treat attention deficit hyperactivity disorder in the U.S.. Innovair® is used in the regular treatment of asthma where use of a combination product is appropriate, but is not suitable for acute asthma attacks.

(d) Manufacturing and supply of raw materials

The products of the UCB Group are manufactured by a combination of internal manufacturing and outsourced manufacturing. Like all pharmaceutical companies, the UCB Group is always examining ways of furthering the outsourcing capabilities of manufacturing and/or supply. Both the active pharmaceutical ingredient ("API") manufacturing and pharmaceutical manufacturing have been outsourced in part. Internal API manufacturing is located in Braine l'Alleud (Belgium), Shannon (Ireland), and Bulle (Switzerland). Pharmaceutical operations and packaging for most of the products of the UCB Group takes place in various manufacturing sites located in Braine l'Alleud (Belgium), Monheim (Germany), Zwickau (Germany), Rochester (United States), Bulle (Switzerland), Pianezza (Italy) and Vapi (India). The manufacturing sites in Rochester, Bulle and Pianezza, most of the site in Braine l'Alleud and the site in Vapi are owned by the UCB Group; two buildings for research and development purposes in Braine l'Alleud are leased, together with the UCB headquarters in Brussels. UCB regularly reviews the sourcing of its products and will continue to do so in the foreseeable future.

The manufacturing of Cimzia® has been entirely outsourced to toll manufacturers. Currently, Cimzia® is manufactured by Sandoz GmbH pursuant to the terms of a development and manufacturing agreement between Celltech Group plc and Sandoz GmbH, formerly Biochemie GmbH, with Vetter Pharma-Fertigung GmbH & Co.KG manufacturing and supplying Cimzia® pre-filled syringes. In the future, the manufacturing of Cimzia® will also be outsourced to Lonza Limited. For a more detailed description of the manufacturing agreements with Sandoz GmbH and Lonza Limited. see Section 14 "Key Contracts" of this Part VI.

The API for Neupro® is manufactured by Cambrex Karlskoga AB, which has recently expanded capacity. LTS Lohmann Therapie-Systeme AG supplies the patches, and a second manufacturing site is under construction. The packaging of the product takes place within the UCB Group. The API for Vimpat® is manufactured at Chemtech Leuna GmbH (Germany) and PCAS SA (France) and is finished in-house. Keppra® is manufactured at three different locations, one of which is outsourced. Products licensed to the UCB Group by its commercial partners, such as Xyrem® from Jazz Pharmaceuticals, are manufactured by the respective licensor and subsequently supplied to the UCB Group.

Within the UCB Group, a dedicated function manages the strategic relationships with all product supply and manufacturing counterparties.

Manufacturing processes are strictly controlled and approved in the framework of the relevant product approval and related marketing authorizations, and all sites are approved and regularly inspected by various regulatory authorities. Regulatory authorities require that drugs are manufactured, packaged and labelled in conformity with current good manufacturing practices ("GMP"). The GMP requirements govern quality control of the manufacturing process and documentation policies and procedures. The UCB Group has established an internal quality control and quality assurance program, including a set of standard operating procedures and specifications. For more detailed information see Section 12, "Governmental Regulation" of this Part VI.

With respect to its supply chain, the UCB Group relies on forecasts from its commercial operations which are converted into supply, manufacturing and purchasing plans. The UCB Group uses various suppliers for the raw materials required to manufacture its products. These raw materials are mainly solvents or other readily available raw materials. The UCB Group does not depend on a single supplier or site for any of its key raw materials, except with respect to Cimzia® for which the PEG component is produced and supplied by Nektar AL Corporation. For a more detailed description of the supply agreements of the UCB Group see Section 14 "Key Contracts" of this Part VI.

(e) Markets and Distribution

The majority of prescription products of the UCB Group are distributed through wholesalers to retail and hospital pharmacies. The UCB Group maintains marketing and sales forces and has wholly-owned distribution subsidiaries in most major markets in Europe, North America and Asia. These affiliates distribute products coming from the main production sites of the UCB Group, which are located in Braine l'Alleud in Belgium, Bulle in Switzerland, Pianezza in Italy, Monheim and Zwickau in Germany, Rochester/New York in the United States, Vapi in India and Saitama in Japan, to wholesalers in their own country. Wholesalers are responsible for delivery to thousands of retail pharmacies and hundreds of hospital centres, with deliveries taking place typically at least once a day in most developed countries. With few exceptions, the UCB Group does not deliver its products directly to patients or individual pharmacists. The distribution chain for prescription drugs is subject to strict rules of quality and safety and the UCB Group takes every reasonable precaution to ensure the regular supply of its drugs to patients around the world.

7. GEOGRAPHIC SEGMENTS/PRINCIPAL MARKETS

The sales of the UCB Group are mainly derived from Europe and North America. As a part of the SHAPE transition to a more streamlined business, the UCB Group has prioritised its geographical aims to focus first on fully resourced strategic markets, such as the U.S. and key European countries, then markets which are developing quickly and are strategically aligned but minimally resourced, then tailored markets with long term investment opportunities and non-strategic markets.

The UCB Group currently has sales and marketing affiliates as well as manufacturing plants in North America, Europe and Asia. In the financial year 2008, North America represented 40 per cent., Europe represented 47 per cent. and the rest of the world represented 13 per cent. of the total net sales of the UCB Group. The seven countries with the largest pharmaceutical markets in the world (United States, Japan, Germany, France, Italy, United Kingdom and Spain) account for 74 per cent. of the total net sales of the UCB Group and constitute the core of the business activities of the UCB Group, from a revenue and profitability standpoint.

The UCB Group has increased its presence in Europe and the rest of the world significantly during recent years, with North America remaining a major source of business. Rather than attempting to expand globally, the UCB Group intends to make a significant impact in its core markets of North America and Europe.

The following table sets forth the net sales of the UCB Group by core product and region in the financial years ending 31 December 2007 and 31 December 2008:

NET SALES FOR MAIN PRODUCTS BY REGION

	2008	2007
	In € million	
North America		
Keppra®	768	645
Tussionex™	147	114
Omeprazole	73	147
Metadate CD™	60	66
Zyrtec® (including Zyrtec®-D)	9	237
Cimzia®	8	0
Neupro®	5	10
Xyzal®	3	2
Other products	120	221
Net Sales North America	**1,193**	**1,442**
Europe		
Keppra®	437	340
Xyzal®	143	143
Zyrtec® (including Cirrus™)	87	89
Nootropil®	69	75
Neupro®	53	42
Other products	625	652
Net Sales Europe	**1,414**	**1,342**

Rest of World		
Zyrtec® (including Cirrus™)	153	161
Keppra®	60	41
Xyzal®	26	22
Nootropil®	24	26
Other products	140	134
Net Sales Rest of World	**404**	**385**
Unallocated	**17**	**20**
Total Net Sales	**3,027**	**3,188**

During the first half of 2009, new product launches partially compensated the impact of generic competition to Keppra® in the U.S. Total revenue decreased as expected by 6% to €1,596 million, and total net sales amounted to €1,379 million (10% lower than the second half of 2008).

Keppra® reached net sales of €465 million, a 22% decrease by comparison with the second half of 2008, due to post-patent expiry erosion in North America which was mitigated by a significant increase in sales in Europe, and an increase in sales of 9% in the rest of the world. Sales of Keppra®XR in the U.S. in the first half of 2009 were €20 million.

Zyrtec® experienced an increase in net sales by 28% to €169 million, due to a number of factors including an increase of 65 per cent. in sales in Japan following the successful launch of the paediatric indication in April 2009. However, Xyzal® suffered a decrease of 21% in net sales to €82 million outside the U.S. largely due to the majority of European countries experiencing a less severe pollen season. With a mild cough and cold season in the U.S., Tussionex™ reached net sales of €67 million (a decrease of 8%). However, Metadate™ CD, a treatment for attention deficit and hyperactivity disorder, reached net sales of €42 million (an increase of 15%).

Cimzia®, approved for Crohn's disease during 2008 in Switzerland and the U.S. and, since May 2009, approved in the U.S. for patients suffering from moderately to severely active rheumatoid arthritis, reached net sales of €24 million. Vimpat®, another recently-launched product, reached net sales of €23 million during the first half of 2009. Neupro® showed net sales of €27 million in the first half of 2009, a decrease of approximately 25%, as a result of UCB effecting a recall from the U.S. market in March 2008, and supply being limited to patients in Europe already receiving the product. Following remediative steps, Neupro is now restored to full supply in Europe and has also been approved for the treatment of restless leg syndrome. The Issuer remains in conversation with the FDA regarding further supply to the U.S., as described in Part 5.5.1. For further information regarding the sales performance of the Issuer during the first half of 2009, please refer to the Half-Year Report 2009, which is incorporated into this Offering Circular by reference.

8. RESEARCH AND DEVELOPMENT

(a) Introduction

The vision of the UCB Group is to deliver innovative therapies for patients suffering from severe central nervous system and immunology disorders. The key features of the research and development organization of the UCB Group include:

(a) a strategic focus on severe CNS and immunology diseases;

(b) a dual pipeline approach to research and development encompassing both new chemical entities and new biological entities;

(c) a world-wide research and development staff consisting of approximately 1,400 employees;

(d) two major research sites located at Braine-l'Alleud (Belgium) and Slough (United Kingdom);

(e) five development teams located at Atlanta, Georgia (USA), Braine-l'Alleud (Belgium), Monheim (Germany), Slough (United Kingdom) and Tokyo (Japan);

(f) a focus on molecules in development for the treatment of epilepsy, respiratory diseases, Crohn's disease, rheumatoid arthritis, bone loss diseases, systemic lupus erithymatosus, psoriasis and other severe diseases; and

(g) UCB NewMedicines™ leading partnerships with academia and other leading drug discovery organizations as well as a continuing search for further partnerships through which the UCB Group can utilise its expertise, particularly in antibody-based drug research and development, to optimise the development and marketing of new pharmaceuticals.

(b) Discovery Technologies

As a result of its dual-pipeline strategy encompassing both new chemical entities and new biological entities, the UCB Group is able to address disease pathways at different points in the targeted therapy areas.

New chemical entities ("**NCEs**") are used to treat a wide range of diseases. Such drugs usually have a molecular weight of less than 500 daltons and are most often designed to be taken orally. NCEs are less expensive to manufacture than extracellular large molecules, and are designed to address both extracellular and intracellular targets.

New biological entities ("NBEs"), in particular antibody-based drugs are relatively large (molecular weight generally greater than 50,000 daltons), tend to be highly specific and are often the only way to block large protein-protein interactions. NBEs are generally administered by injection and can act very rapidly and over a long period of time.

They are not easily applied to intracellular targets, but can be used to selectively modulate such events as cytokine-receptor interactions or adhesion molecule binding. The UCB Group possesses a range of cutting-edge technologies that facilitate the discovery and development of NCE and NBE.

NCE Technologies

The discovery of the synaptic vesicle protein SV2A, the binding site of Keppra, and the continuance of clinical trials for further SV2A ligands, including brivaracetam, illustrate the capability and skills of the UCB Group in advancing small molecule drug discovery to produce potential new, highly potent anti-epileptic drugs. The NCE discovery technologies of the UCB Group include, for example, computer

assisted drug discovery ("CADD"), a technology which assists and facilitates drug discovery programmes through the application of advanced modelling, simulation and data visualisation techniques, and protein crystallography, a technology which provides structural information on compound binding to research targets.

NBE Technologies

UCB's proprietary selected lymphocyte antibody method ("SLAM") technology enables the Issuer to isolate rare, high-affinity, functionally-active antibodies with speed and precision, reducing the time it takes to identify these antibodies from six months to approximately eight weeks. The development of this licensed technology has enabled UCB to identify such antibodies and to develop them for specific requirements from a wide range of species. The UCB Group is constantly endeavouring to improve SLAM, with the PEGylated antibody fragment platform giving the UCB Group a further edge by enabling it to prolong the therapeutic activity of the fragment of antibody, leading to less frequent, more convenient dosing.

(c) Therapeutic Focus: Research Areas

In accordance with its general strategy, the research and development activities of the UCB Group are focused on the therapeutic areas of severe CNS and immunology disorders.

Central Nervous System

The UCB Group has an established record of innovative CNS research and has developed a number of novel, marketed drugs and continues to strive for new treatments of neurological disorders such as epilepsy, diabetic neuropathic pain, Parkinson's disease and other movement disorders as well as diseases involving cognitive impairment. The research strategy of the UCB Group in the therapeutic field of CNS is to combine target-based drug discovery with a focus on target validation in disease-relevant neuropharmacology models of integrative brain activity. The UCB Group's research focuses on neural excitability as a whole because the UCB Group considers that abnormalities in neural excitability and synchronization underlie many neurological conditions.

The UCB Group established a leading scientific platform for the therapy and treatment of epilepsy with the development and production of Keppra®, followed by the approval of Vimpat® in 2008. Clinical trials for Keppra®XR in the U.S. for monotherapy use are ongoing, with results expected later in 2009.

The UCB Group is continuing to develop new molecules for the treatment of epilepsy, with Phase III results of brivaracetam currently being analysed. Brivaracetam is a broad-spectrum anti-epileptic product in development which has a distinct pharmacological profile that distinguishes it from other currently available treatment options, demonstrating a 10-fold higher affinity for synaptic vesicle protein 2A (SV2A) than Keppra®. The clinical significance of these findings is not known. Brivaracetam also demonstrated inhibitory activity at neuronal voltage-dependent sodium channels whose abnormal function is understood to contribute to electrical discharges associated with seizures. These differences may be important for the antiepileptic activity of brivaracetam, its clinical efficacy and its tolerability. Brivaracetam is protected by a composition of matter patent until 2021.

Vimpat® is in development as a diabetic neuropathic pain treatment in both the U.S. and the EU. A new Phase III trial design is being proposed for further testing in 2009. Separately, testing continues in relation to the use of Vimpat® as a monotherapy for epilepsy in the U.S., where the Phase III trial is

ongoing and results are expected during 2011. Vimpat® is also in development as an adjunctive epilepsy therapy for primary generalised tonic-clonic seizures, with Phase II to be initiated in 2010. Finally, Vimpat® is being tested in the U.S. for pediatric use in partial-onset seizures, with headline results of Phase II expected in 2010.

UCB is also, in conjunction with Jazz Pharmaceuticals, developing a treatment for fibromyalgia, an idiopathic chronic pain syndrome defined by widespread musculoskeletal pain and generalised tender points. Positive results from the two Phase III pivotal clinical trials of Xyrem® for the treatment of fibromyalgia were announced in late 2008 and early 2009, and full data analysis and registration file preparation continues on this product. Xyrem® is approved by the FDA for the treatment of excessive daytime sleepiness and cataplexy for patients with narcolepsy, and in the EU for the treatment of narcolepsy with cataplexy in adult patients. The UCB Group has marketing exclusivity for Xyrem® in Europe and certain other countries.

Immunology

Inflammatory diseases can be classified in many different ways, but all inflammatory diseases result from an inappropriate activation of immune cells and a subsequent inflammatory response. The UCB Group is developing new products, both NBEs and NCEs, which are designed to treat a range of serious autoimmune diseases. Some of the diseases the UCB Group is focusing on are inflammatory bowel disease, rheumatoid arthritis, systemic lupus erythematosus and psoriasis.

The UCB Group targets molecules that regulate the immune system's inappropriate response to the environmental or intrinsic factors that trigger inflammatory disease. The drugs which UCB is developing to modulate these regulatory molecules fall into two main classes: genetically engineered antibodies and traditional small molecules. These two classes of drugs have different utilities and allow the UCB Group to attack inflammatory diseases in a range of different ways.

The UCB Group has developed and marketed Cimzia®, a PEGylated anti-TNF-alpha antibody fragment which inhibits the actions of the immune system protein tumour necrosis factor alpha ("TNF-alpha") which is overproduced in inflammatory diseases like Crohn's disease and rheumatoid arthritis. Cimzia® targets and binds to TNF-alpha with high affinity, which helps relieve the painful symptoms caused by inflammation. Cimzia® was first approved in April 2008 for the treatment of Crohn's disease in the U.S. and Switzerland, and received the additional indication for the treatment of rheumatoid arthritis in the U.S. in April 2009. The EMEA is considering Cimzia® as a treatment for rheumatoid arthritis, and it is anticipated that EU approval will be provided for this indication in the second half of 2009. The pipeline of developing autoimmune treatments includes further indications for Cimzia®, including psoriatic arthritis, juvenile rheumatoid arthritis and ankylosing spondilytis. Phase III trial results in juvenile rheumatoid arthritis are expected in the second half of 2010.

A treatment for systemic lupus erythematosus, epratuzumab, is currently undergoing Phase IIb testing, the top line results of which were positive, as published in August 2009. With no new treatment for systemic lupus erythematosus being approved for over 50 years, epratazumab has the potential to make a significant impact in this area. Epratuzumab is a humanised anti-CD22 antibody that targets B cells and is being developed by the Issuer for the treatment of autoimmune diseases. Very early clinical data presented at the European League Against Rheumatism (EULAR) and at the American College of Rheumatology (ACR) in 2008 suggested that treatment with epratuzumab may result in clinically meaningful reduced disease activity and reduced reliance on corticosteroids compared to placebo treatment in patients with active moderate and severe systemic lupus erythematosus. The top line Phase

IIb dose-ranging study results published in August 2009 were positive, and further testing continues. The FDA has granted priority review status to epratuzumab for the treatment of patients with systemic lupus erythematosus once the clinical trial programme is completed.

UCB is responsible for the global development of epratuzumab in autoimmune diseases as part of the license agreement in place between the molecule's originator, Immunomedics Inc., a U.S. based biotechnology company, and UCB.

The UCB Group is also developing products for the treatment of osteoporosis, with the intention of developing a product which accelerates the healing process in bones for both osteoporosis and fracture patients. UCB is working in collaboration with Amgen Inc. to develop CDP7851 (sclerostin monoclonal antibody), an anabolic therapy for bone loss disorders. Following encouraging first-in-human data, UCB and Amgen Inc. initiated a Phase II study in postmenopausal osteoporosis, which is expected to be completed in 2012.

(d) Development Pipeline

The following table illustrates the current main development projects of the UCB Group and their current stage of development:

Product	Indication	Phase I	Phase II	Phase III	Regulatory Status
CNS					
Keppra® (*levetiracetam*)	Epilepsy – adjunctive therapy (Japan)				Filed November 2008
Neupro® (*rotigotine*)	Advanced Parkinson's disease (U.S.)				CRL December 2008
Neupro® (*rotigotine*)	Restless leg syndrome (U.S.)				CRL December 2008
brivaracetam	Epilepsy – adjunctive therapy			Decision by year end	
Keppra®XR	Epilepsy – monotherapy (U.S.)			Results expected by Q4 2009	
Vimpat® (*lacosamide*)	Epilepsy – monotherapy (U.S.)			Results expected by Q4 2011	
Vimpat® (*lacosamide*)	Diabetic neuropathic pain (EU & U.S.)			Decision H2 2009	
Immunology					

Cimzia® (*certolizumab pegol*)	Rheumatoid arthritis (EU)				CHMP Positive Opinion (June 2009)
Cimzia® (*certolizumab pegol*)	Crohn's disease (EU)				
eprazatuzumab	Systemic lupus erythematosus		Results expected Q3 2009		
CDP7851 (*anti-sclerostin*)	Post-menopausal osteoporosis		Results expected 2012		
CDP7851 (*anti-sclerostin*)	Fracture healing		Results expected 2012		
CDP6038 (*anti-IL 6*)	Autoimmune disease				

(e) Research Sites

The UCB Group has structured its drug discovery capabilities into two Centres of Excellence, each focusing on specific therapeutic areas. These include: immunology (Slough, United Kingdom) and CNS disorders (Braine l'Alleud, Belgium). At the site in Slough, the UCB Group also established its "UCB NewMedicines™ Centre for Collaborative Research" which concentrates on NBE technologies for immunology. The UCB Biologics Research and Development Centre is located in the UK, providing a state of the art facility for the discovery and early development of antibodies. In Belgium, UCB is also investing in a pilot biotechnology plant with the support of the Walloon regional government.

The primary locations for Global Projects & Development are Monheim (Germany), Research Triangle Park, Raleigh (U.S.) and Tokyo (Japan). Regulatory affairs is co-located with global commercial activities in Brussels (Belgium) and Atlanta (U.S.). Global drug development functions, such as clinical operations, act as a resource pool for particular processes and skills, allowing for fast and flexible allocation of staff to projects.

Each centre is small enough to allow vital and regular face-to-face contact between the scientists and is supported by all the necessary functions to progress commercially viable ideas.

(f) Partnerships

The UCB Group has a strategy of partnering to complement its skills and to maximize the potential of its products. The recent launch of Toviaz® by Pfizer in the U.S. exemplifies the benefits that such partnership might bring.

The UCB Group currently has a range of partnerships, including more than 80 research partnerships with a variety of academic institutions and a number of industrial partnerships and collaborations.

These partnerships range from research collaborations to joint discovery, development and commercialisation agreements and commercial partnerships with a wide range of small to large companies, and include agreements with the following parties:

- *Amgen Inc.*: A partnership aimed at the research, development and commercialisation of CDP7851, an antibody which works against sclerostin, a protein discovered by the UCB Group, for the treatment of bone diseases and disorders such as osteoporosis and fracture healing.

- *Astra Zeneca do Brasil Ltd* : The UCB Group and Astra Zeneca do Brasil Ltd have entered into a partnership relating to the registration and commercialization of Cimzia® in Brazil, which allows Astra Zeneca do Brasil Ltd to be the exclusive distributor of Cimzia® in Brazil, with UCB retaining the right to co-promotion of Cimzia® and any future line extensions.

- *Bioseek, Inc.* The UCB Group and BioSeek, Inc. have established a new compound evaluation collaboration, under which BioSeek, Inc. will apply predictive human biology to evaluate the therapeutic potential of novel molecules identified by UCB.

- *deCODE chemistry Inc. & biostructures:* UCB and deCODE are collaborating on the structure-based discovery of novel small molecule anti-inflammatory products.

- *Immunomedics Inc.*: Immunomedics Inc. has granted to the UCB Group the exclusive worldwide rights to develop, market and sell *epratuzumab* for all non-cancerous human diseases including autoimmune disease indications.

- *Inogent Laboratories Pvt. Ltd.:* Inogent and UCB have agreed a multi-year collaboration to support UCB's early projects (up to proof of concept) on chemical process, analytical and formulation development aspects.

- *Jazz Pharmaceuticals*: Jazz Pharmaceuticals has granted to the UCB Group the exclusive right to commercialize Xyrem® in most European and certain other countries.

- *King's College London*: UCB and Kings College London have agreed a multi-year collaboration to support the university's structure-based drug design activities.

- *Lonza Limited*: Lonza Limited and the UCB Group have a long-term supply agreement under which Lonza Limited will manufacture PEGylated antibody fragment-based drugs for the UCB Group.

- *Millennium Pharmaceuticals, Inc.*: The UCB Group and Millennium Pharmaceuticals, Inc. are collaborating on the research, development and commercialization of new antibody therapeutics aimed at one validated Millennium Pharmaceuticals, Inc. target.

- *Neuroalliance-Biopharma Initiative*: Schwarz Pharma, Universities of Bonn and Duisburg-Essen, Landschaftsverband Rheinland, Forschungszentrum Jülich, Fraunhofer Institute, Protagen AG and Life&Brain GmbH entered into a consortium agreement with the goal to set up diverse early stage development agreements/collaborations among the partners in the neurology field (medicines and diagnostics; the latter without involvement of the UCB Group). The initiative is supported by the German government.

- *Otsuka Pharmaceuticals*: The UCB Group and Otsuka Pharmaceuticals have entered into collaboration agreements pertaining to the development, licence and supply of Neupro® in Japan, a development and commercialisation contract relating to Cimzia® and Keppra®in Japan, and a development and commercialisation contract relating to Cimzia® in Korea.

- *Proteros biostructures GmbH:* A research agreement has been reached between UCB and Proteros biostructures GmbH in relation to gene-to-structure based drug design for novel small molecule anti-inflammatory drugs.

- *Pfizer Inc.*: The UCB Group is party to a license agreement regarding the marketing of Toviaz® worldwide with Pfizer Inc..

- *SAI Advantium Pharma Ltd*: a multi-year discovery chemistry collaboration in support of medicinal chemistry and library synthesis activities at UCB's research labs in Belgium and UK.

- *Wilex AG*: The UCB Group and Wilex AG have entered into a strategic partnership in which Wilex AG has acquired world-wide rights to develop UCB's pre-clinical oncology portfolio. UCB has retained exclusive rights to re-purchase any part of the portfolio following completion of initial clinical feasibility studies.

- *Wyeth*: The UCB Group and Wyeth have a long-standing collaborative relationship dating from 1986 relating to the research, development and commercialisation of monoclonal antibody conjugates for use in the therapy and diagnosis of human cancers.

(g) Investment in research and development

The UCB Group intends to maintain its record of significant investment in research and development though both UCB NewMedicines™ and Global Projects & Development in the future, both by way of direct investment and partnership opportunities.

9. INVESTMENTS

A4 – 5.2
A4 – 5.2.1
A4 – 5.2.2

In addition to its ongoing investment in research and development opportunities, the UCB Group is focusing investment on developing the life cycle of its patented products to ensure that the results of research are duly protected and maintained as widely as possible for the maximum available time in accordance with the applicable legislation. It is the UCB Group's policy that it seeks such extensions wherever and whenever they are available.

The UCB Group is also currently investing in upgrading equipment and facilities at the UCB NewMedicines™ site in Slough (UK), as well as installing a pilot biotechnology plant in Braine l'Alleud (Belgium), which is also being supported by the Walloon regional government.

10. EMPLOYEES

On 30 June 2009 the UCB Group employed a total of 9,780 individuals, a reduction of 1,512 since 31 December 2008 (11,292 persons employed). The geographic breakdown of employees as at 30 June 2009 is set out below.

Geographic Area	Number of Employees
Europe	5,837
North America	2,308

Rest of World	1,635
Total	9,780

The decrease in headcount since 2008 has been caused by the impact of the streamlining of the UCB Group in accordance with the SHAPE programme. UCB has re-deployed its resources towards its long term vision of becoming a patient-centric and specialist-focussed biopharmaceutical company, with the result of approximately 2,000 redundancies around the world in late 2008 and early 2009. This was supported by consultation and negotiation in the countries affected, with a dedicated programme introduced to provide support to staff in finding a new role.

11. COMPETITION

A4 – 6.3

There is intense competition among pharmaceutical and other companies that research, develop, manufacture or market pharmaceutical products. The UCB Group competes with these entities in all areas of its business, including competing to attract and retain qualified scientific, technical, and operational personnel. The UCB Group believes that this competition will continue to increase in the future.

The competitive position of the products of the UCB Group among the products of other pharmaceutical companies is based on, among other things, patent protection, data exclusivity, product efficacy, safety, reliability, availability, patient convenience and price. The UCB Group remains committed to growing its businesses as well as holding or increasing its market share.

The products of the UCB Group may compete against products that have lower prices, superior performance, are easier to administer or that are otherwise competitive with products of the UCB Group. The continued expansion of generic competition worldwide also poses a current and future competitive challenge to the UCB Group.

Following the expiration or loss of patent protection, certain of the current products of the UCB Group have experienced increasing competition from generic manufacturers. The UCB Group remains committed to vigorously defending its intellectual property. In addition, the introduction of new products or the development of new processes by competitors or new information about existing products may result in product replacements or price reductions, even for products protected by patents.

Some competitors of the UCB Group are actively engaged in research and development in areas where the UCB Group is also performing research and developing product candidates. The competitiveness of the product candidates of the UCB Group is significantly dependent upon the timing of entry into the market. Early entry may have important advantages in gaining product acceptance contributing to the product's eventual success and profitability. Accordingly, in some cases, the relative speed with which the UCB Group can develop products, complete the clinical testing, receive regulatory approval, and supply commercial quantities of the product to the market is expected to be important for the competitive position of the UCB Group.

Certain of the products of the UCB Group face substantial competition from products developed, manufactured and marketed by large pharmaceutical companies which may have greater clinical,

research, regulatory, manufacturing, sales, marketing, financial and human resources than the UCB Group. Such competitive pressures can prevent UCB's products from becoming established and achieving optimal market penetration.

In addition, the UCB Group competes with large pharmaceutical companies when entering into collaborative arrangements or partnerships with other pharmaceutical companies, research organizations and other entities for the research, development, manufacturing and marketing of technologies, product candidates and marketed products. The UCB Group may face competition in its collaborative arrangements or licensing and acquisition activities from other pharmaceutical companies that also seek to license or acquire technologies, product candidates or marketed products from these entities. Accordingly, the UCB Group may have difficulties entering into collaborative arrangements and licensing or acquiring technologies, product candidates and marketed products on acceptable terms.

12. INTELLECTUAL PROPERTY

In order to fortify its position as a leading biopharmaceutical company and to offer to its patients treatments which are able to improve their health and qualify of life, the UCB Group continually strives to develop new products and new technologies and to expend significant efforts and funds on research, development and manufacturing. The UCB Group has obtained intellectual property rights through internal efforts, acquisitions and as a consequence of various research and development collaboration agreements. The UCB Group has granted from time to time, and may continue to grant, licenses to third parties to use certain patents and know-how of the UCB Group. The UCB Group has received from time to time, and may continue to receive, licenses from third parties to use their technologies and know-how or to manufacture and sell their products (see Section 14 "Key Contracts" of this Part VI). The production technologies of the UCB Group typically incorporate specialised proprietary know-how. To preserve and enhance the value of its investments and assets, the UCB Group relies on the intellectual property laws of the jurisdictions in which it operates, and has developed an active intellectual property strategy.

(a) Patents

General

As an innovation-based biopharmaceutical company, the UCB Group strives to secure exclusivity for its lead products by obtaining protection through granted patents in all of its important markets.

Depending on the jurisdiction, patent protection may be available for:

- the active pharmaceutical ingredients (or API);
- formulations and combinations containing the API;
- manufacturing processes;
- intermediates which are useful for the manufacturing of the APIs and products;
- research tools and technologies;
- platform technologies; and
- new uses for existing products.

Patent laws in UCB's major markets are substantially similar, but the protection provided by a patent varies from country to country, depending on the type of claim granted, the scope of those claims' coverage (the way claims are interpreted) and the legal remedies available for enforcement. Although there are certain exceptions as to when and how generic pharmaceutical manufacturers may apply for regulatory approval with respect to patent expiry, patent protection in key markets such as the United States, Europe and Japan is generally strong.

The UCB Group currently has approximately 510 active patent families, comprising approximately 3,080 granted patents and 2,310 pending patent applications. Although patents are important to the business of the UCB Group, UCB believes that no single patent (or group of related patents) is material to the UCB Group's business as a whole. However, the Issuer believes that patents relating to key products such as Cimzia®, Neupro®, Vimpat® and Keppra®XR are of particular importance.

Term and Expiration of Patent

The term of a patent varies depending on the laws of the particular jurisdiction which has granted the patent. However, in all jurisdictions which are of key importance to the UCB Group, patent protection, once granted, is valid for 20 years from the date on which the corresponding patent application was filed.

The European Union, the United States, Japan and certain other countries provide extensions of patent term or supplementary protection certificates to compensate for patent term loss due to regulatory review thus allowing adequate time to recoup the substantial investment in research and development and regulatory approval of products. In accordance with its product life-cycle management policy, the UCB Group will seek such extensions wherever and whenever they are available.

Although expiration of the basic patent protection for a product (usually the API or a key formulation) normally results in the loss of market exclusivity, the UCB Group may continue to derive commercial benefits from:

- patents relating to specific uses for the API;
- patents relating to novel compositions and formulations;
- patents relating to processes and intermediates used in manufacturing the active ingredient; and
- in certain markets (including the U.S. and the EU), market exclusivity under laws other than patent laws, in particular, regulatory data protection and exclusivity provisions.

The following summary sets forth the expected expiration dates of the basic patent protection for key products of the UCB Group in its major markets (including any patent extensions, where applied for or already granted).

Marketed Products	**EU**	**U.S.**	**Japan**
Keppra® (*levetiracetam; API*)	September[2] 2010[3]	Expired	None

[2] The basic patent in Europe expires in May 2010 however data exclusivity applies to until September 2010 making this the date of expiration of exclusivity

[3] Including extensions where applied for or already granted

Neupro® (*rotigotine; patch*)	February 2021[3]	March 2021[3]	March 2019
Vimpat® (*lacosamide; API*)	March 2022[3]	March 2022[3]	Under negotiation
Cimzia® (*certolizumab; API*)	June 2021	March 2024[3]	June 2021

Products in Development:

The UCB Group's key products in development are expected to enjoy basic patent protection of 10 years or longer from their projected introduction dates in the core markets of the UCB Group.

Licenses from third parties which the UCB Group deems to be important for its business activities, such as those relating to Neupro® (rotigotine), Vimpat® (lacosamide), Cimzia® (certiluzimab) have been secured. See Section 15, "Legal Proceedings" of this Part VI, for a description of patent-related litigation in which companies of the UCB Group are involved.

(b) Trademarks

The following table sets forth the best-known trademarks of the UCB Group which have been registered on behalf of the UCB Group and enjoy trademark protection:

- UCB and the logo
- KEPPRA®
- NEUPRO®
- XYZAL®
- ZYRTEC®
- CIRRUS®
- VIMPAT®
- METADATE®
- TUSSIONEX®
- CIMZIA®

In contrast to patents, registrations for trademarks can be renewed indefinitely, although in many jurisdictions it is required to use the trademark in commerce to preserve its registration and protection.

Even though many jurisdictions recognise common law rights in trademarks, it is the policy of the UCB Group to register its trademarks whenever a jurisdiction provides for such registration. Although the trademark portfolio of the UCB Group is important to its business activities, the UCB Group does not believe that a single trademark in its portfolio is material to the business of the UCB Group as a whole.

13. GOVERNMENTAL REGULATION

The business activities of the UCB Group are subject to significant governmental regulation. Its pharmaceutical products must be examined and approved by regulatory agencies for quality, safety and effectiveness before they may be marketed. The distribution and marketing of its products is subject to

supervision and control by various regulatory authorities and its production activities must comply with applicable health, safety and environmental regulations.

Relevant regulations are typically of a national scope, although within the EU a considerable degree of harmonization exists. The EU institutions have created a common regulatory framework that applies in every EU member state (and that sometimes allows EU member states to adopt more detailed and more stringent regulations), and has indirect harmonizing effects in certain other European countries. Review and approval of certain products such as those generated at the Issuer is handled by the EMEA in a centralised procedure which, in the event of a positive outcome, results in approval for the product in all EU countries. In the United States such regulatory review is handled by the FDA.

(a) Product approval

Before the UCB Group can market pharmaceutical products in a particular country, it is required to obtain regulatory approval in accordance with the applicable national regulations. Following receipt of initial marketing approval, regulatory approval must be maintained in order to continue to market products. The regulatory requirements follow stringent standards that vary by country. From drug discovery through pre-clinical development and clinical trials to approval and initial product launch, the process of developing a pharmaceutical product is intensive, lengthy and rigorous, and takes approximately ten years. This period varies considerably depending on the targeted therapeutic area. Regulatory authorities have the right to link their approval to the implementation of stringent risk management measures for each drug which go beyond standard pharmacovigilance procedures. These measures may include additional clinical studies which can add substantially to the investment required to develop a new drug and to obtain and maintain its regulatory approval.

Development of New Products

Once a new compound has been identified in the laboratory as a potential candidate drug through a screening process, it undergoes broad pre-clinical testing. During pre-clinical testing, in-vitro tests and other studies in tissues and animals are conducted to show biological activity of the compound in models of the targeted disease, as well as to evaluate its potential toxicity. These steps are generally undertaken by UCB NewMedicines™.

To begin clinical trials (i.e., tests of the drug in humans) in the EU, applications have to be filed with the regulatory authorities of each member state in which clinical trials are intended to take place. To begin clinical trials in the United States, an investigational new drug ("IND") application is filed with the FDA. The IND becomes effective if the FDA does not reject it within 30 days from its filing. In other countries there are varying but similar requirements before beginning clinical trials.

Clinical testing prior to filing for a marketing license is usually done in three phases. This clinical development program can eventually be followed by a Phase IV study programme which is performed after marketing approval has been obtained. The size and the duration of clinical trials depend very much on the targeted disease. Typically, several hundred to several thousand patients have to be treated successfully under the highly controlled conditions of clinical trials before a sponsoring pharmaceutical company can apply for marketing authorisation. The duration of trials and the vast amount of data that must be collected and evaluated makes clinical testing the most time-consuming and expensive part of new drug development.

Marketing Approval for New Products

Before a drug can qualify for marketing approval, a registration dossier must be submitted to the regulatory authorities of the jurisdictions where the drug is intended to be marketed. In the EU, the UCB Group has to follow either the centralized procedure at the EMEA, the mutual recognition procedure, the decentralized procedure or the national procedure depending on the therapeutic area, type of product and the number of countries in which the UCB Group intends to market the drug. In the United States, UCB has to file a new drug application ("NDA") or biological licence application with the FDA. Other countries accept variations of the EU or United States registration dossiers, as long as they contain a specific national chapter in a special format and the native language. The submission of a registration dossier to a regulatory authority does not guarantee that approval to market the product will be granted.

The registration dossier contains detailed information about the safety, efficacy and quality of a new medication. It also provides details about the manufacturing process, the production facilities and information to be provided to patients and medical practitioners.

The registration process can last from a few months to a few years and depends on the nature of the drug under review, the quality of the submitted data, the registration procedure, the medical needs, the efficiency of the relevant agency and the jurisdiction in which the application is filed.

In the EU, the authorities have to decide on marketing approval within 210 days following receipt of a complete marketing application. For products to be approved under the centralized procedure at the EMEA, the time period may be reduced to 150 days. These time periods do not include delays during which the sponsoring company has to respond to numerous detailed questions regarding the product raised by the authorities.

In the United States, the FDA is required to review and provide a Complete Response Letter within 10 months of filing the registration dossier. The Complete Response Letter will notify the company of the additional information required by the FDA in order for it to provide approval. Alternatively, approval may be granted in the Complete Response Letter. For drugs designated as ''priority'' drugs, the maximum review time for the FDA is six months.

In recent years, the EMEA, FDA and the Japanese Ministry of Health, Labour and Welfare have sought to shorten development and registration periods for pharmaceutical products by harmonizing the individual requirements of the three regions through the work of the International Conference on Harmonization ("ICH"). The implementation of the requirements which have been resolved by the ICH would not completely harmonize the regulatory processes in the United States, Japan and the European Union. The UCB Group would still need to address region-specific development requirements to obtain marketing approval in these three regions.

Once the EMEA, the FDA or the regulatory agency in another country have approved the marketing application, the new pharmaceutical drug becomes available for sale. The marketing authorization may be granted for an unlimited term or be subject to renewal. In the European Union marketing approval is granted for an initial period of five years. Following the expiration of this five year period, the EMEA will decide whether to renew the marketing approval for an indefinite term. In many countries approval is followed by intense and lengthy submissions to and negotiations with panels such as pricing and reimbursement authorities, health technology assessment bodies and committees granting approvals to formularies before the product can be made available for sale.

Pharmacovigilance

The UCB Group performs high-quality clinical safety and pharmacovigilance activities for drugs under development and marketed drugs. These surveillance and reporting processes are highly regulated with

the objectives to ensure adequate interpretation of the safety profile of the drugs and the protection of the patients. Each identified or reported adverse drug reaction is analyzed and interpreted by a team of physicians and scientists and is reported within determined timelines to the appropriate regulatory authorities in various countries. Any adverse events observed for drugs under development are also notified to clinical investigators, institutional review boards and independent ethics committees (as appropriate). Furthermore, the pharmacovigilance department endeavours to ensure the timely preparation and submission of aggregate periodic reports of any such adverse drug reactions. These aggregate reports include non-clinical safety data, clinical safety data and an evaluation of the risk-benefit profile of the individual product.

In the course of the life cycle of a product, regulatory authorities also demand the preparation of risk management plans or risk evaluation and mitigation strategies. Such plans and strategies set out UCB's approach to identifying, monitoring and mitigating any potential safety observations. The UCB clinical safety and pharmacovigilance department undertakes the preparation, follow-up and reporting of such observations, such as Phase IV, pharmaco-epidemiological and observational studies or registries, as detailed in such plans and strategies.

Furthermore the UCB clinical safety and pharmacovigilance department contributes to the accuracy of the description of any adverse effects and potential safety observations in product-related information provided to patients and healthcare professionals.

Marketing of Products

After a product has reached the market, it will be subject to regulatory restrictions on advertising, promotion and distribution. These restrictions apply to over-the-counter and prescription drugs and also address the interaction between pharmaceutical companies and healthcare professionals. The type and degree of these regulatory restrictions vary from country to country. Many countries provide for varying degrees of restrictions on granting benefits or product samples to healthcare professionals. Some countries impose restrictions on the involvement of pharmaceutical companies in meetings with healthcare professionals. The marketing and distribution of the UCB Group's products is also subject to general anti-corruption and unfair competition regulations. The UCB Group has adopted a broad code of conduct of the business setting out certain principles in relation to business practices which are further extended in UCB's guidelines and standard operating procedures to comply with such legal, regulatory, ethical and other restrictions. It has also implemented a programme which provides for the administration and supervision of its compliance guidelines as well as the related training of its employees.

(b) Manufacturing

UCB Group and its toll manufacturers' production facilities require regulatory approval and are subject to periodic inspections. The manufacturing of UCB Group's products is subject to extensive governmental regulations which address facilities, equipment, manufacturing processes, product specifications, quality control and good manufacturing practices.

(c) Pricing

In most of the jurisdictions in which the UCB Group sells its products, it is subject to price and reimbursement control by governments or private insurance companies. Price and reimbursement

control mechanisms operate differently from jurisdiction to jurisdiction and may result in substantial price and reimbursement differentials between different countries.

Even though the UCB Group cannot predict with certainty the future governmental or private healthcare insurance interventions on the pricing and reimbursement of pharmaceutical products, such interventions may include the increase of price controls and restrictions in use, the inclusion of patent protected drugs in a fixed price system by therapeutic area and legislation permitting or requiring a pharmacist to substitute a prescribed pharmaceutical product with other versions thereof, including generic products. These interventions could have significantly adverse consequences for the pharmaceutical industry, including the business activities of the UCB Group.

14. HEALTH, SAFETY AND ENVIRONMENTAL REGULATIONS

Although there is a significant process of harmonizing health, safety and environmental regulations among the member states of the EU and in some cases globally, regulations vary across the countries in which the UCB Group operates. The UCB Group's goal is to be in compliance with all applicable health, safety and environmental requirements and to make sure it provides workplaces for employees that are safe. The UCB Group monitors and evaluates all environmental legal initiatives and laws regarding their potential impact on its current and past activities in order to develop and implement appropriate action plans in a timely and effective manner. When necessary, the UCB Group incurs capital expenditure to help achieve this objective, and has recently outsourced certain aspects of its health and safety operations such as the processing of non-serious drug safety cases, aiming to improve efficiency. The UCB Group expects that it will continue to be subject to stringent health, safety and environmental regulations. Although the UCB Group cannot predict future expenditures, it believes that current spending trends will continue.

The development, production and distribution of the products of the UCB Group is subject to increasingly stringent environmental regulations. These environmental regulations address:

- emissions into the air;
- discharges of waste water;
- incidental and other releases into the environment;
- generation, handling, storage, transportation, treatment and disposal of hazardous and non-hazardous materials; and
- construction and operation of facilities.

Historically, the UCB Group owned and operated various chemical industrial sites. Pursuant to some of the environmental regulations which apply to the business activities of the UCB Group, a current or previous owner or operator of an industrial site may be liable for the remediation costs associated with the site, irrespective of whether it caused or was aware of the presence of the contaminants, or whether the practices that resulted in the contamination were in compliance with the applicable laws at the time they occurred. As many of the former industrial sites of the UCB Group have a long history of chemical production, it cannot be excluded that soil or groundwater contamination has not or will not occur or be discovered at these sites. Accordingly, the full impact of these regulations on the UCB Group cannot be predicted. In connection with the sale of its Surface Specialty business activities the UCB Group also agreed with the respective purchasers to retain specific environmental liabilities, in each case subject to certain limitation periods.

Some of the former sites of the UCB Group are currently subject to remediation and other sites will be subject to remediation as a consequence of forthcoming legislation. Even though some of the former sites of the UCB Group currently do not raise any environmental concerns, it cannot be excluded that future investigations will discover contamination and result in remediation obligations for the UCB Group.

It is difficult for the UCB Group to estimate the future costs of environmental protection and remediation because of uncertainties associated with the status of regulations and their future developments. Taking into consideration its experience, currently known facts and its existing provisions which were made in light of potential remedial obligations, the UCB Group believes that the capital expenditures and remedial actions necessary to comply with environmental regulations will not have a material adverse effect on its financial position, results of operations or cash flows.

The UCB Group believes that it is in substantial compliance with applicable health, safety and environmental laws and regulations. The UCB Group is concerned about the health and safety of its employees and the protection of the public health and environment. While its compliance to health, safety and environmental laws and regulations has not adversely affected the competitive position or business of the UCB Group, it cannot predict the impact of possible future regulations. Although the UCB Group has taken measures to conform to the stricter regulations, such as increasing the efficiency of its internal research and development process in order to reduce the impact of extended testing on time-to-market, stricter regulatory regimes could delay product development or restrict marketing and sales.

15. KEY CONTRACTS

(a) License and Distribution Agreements

Astra Zeneca do Brasil Ltd

In September 2009, the UCB Group and Astra Zeneca do Brasil Ltd entered into a partnership relating to the registration and commercialization of Cimzia® in Brazil, which allows Astra Zeneca do Brasil Ltd to be the exclusive distributor of Cimzia® in Brazil, with UCB retaining the right to co-promotion of Cimzia® and any future line extensions.

Chiesi Farmaceutici S.p.A

In March 2007, UCB Pharma S.A. and Chiesi Farmaceutici S.p.A. entered into a license and distribution agreement for Chiesi's pMDI product containing beclometasone diproprionate and formoterol fumarate (most common brand names: Innovair®/Foster®) for the treatment of asthma. This license is exclusive in Sweden, Denmark, Norway, Finland and Switzerland (including Lichtenstein), and sole in Belgium, Luxemburg, Greece (including Cyprus) and Turkey. The agreement will terminate 15 years after the first commercial sale on a country-by-country basis or the last date on which the sale of the licensed product in the territory would infringe a licensed patent in the territory, whichever occurs last.

GlaxoSmithKline K.K.

In July 2005, UCB Japan Co., Limited and GlaxoSmithKline K.K. entered into an agreement whereby UCB Japan Co., Limited appointed GlaxoSmithKline K.K. as its new co-distributor for Zyrtec® on the Japanese market. The agreement expires at the later of the end of a ten year term or the end of a eight

year term following a specific regulatory approval. Subsequently, the agreement can be renewed for two year periods. The agreement provides for customary termination provisions.

GlaxoSmithKline (Germany)

In August 2000, GlaxoSmithKline Germany and Schwarz Pharma Deutschland GmbH entered into a co-marketing agreement relating to Atmadisc for Germany. GlaxoSmithKline Germany is marketing the identical product under its trademark "Viani", while Schwarz Pharma Deutschland GmbH has been granted an exclusive license under the trademark "Atmadisc". The initial term of the agreement runs until December 2013 and will be automatically extended for one year each if the minimum sales target of each preceding year is reached for at least 60 per cent..

Harris FRC

In December 1999, Harris FRC and Schwarz Pharma entered into a license agreement and a trademark license agreement. Under such agreements, Schwarz has been granted exclusive rights for Vimpat® worldwide (excluding Japan and worldwide veterinary uses), and for the trademark Vimpat®. Concurrently, the parties also entered into a development agreement which expires with the last to expire licensed patent. The product is already launched by the UCB Group in numerous countries for certain epilepsy related indications. The license agreement expires concurrently with the expiry of the last to expire licensed patent. The trademark license agreement expires, on a country-by-country basis, 25 years after launch of the product.

Jazz Pharmaceuticals

In June 2006, Jazz Pharmaceuticals granted UCB Pharma Limited an exclusive license to distribute any of its products containing sodium oxybate as an active ingredient under the trademark Xyrem® in most European and certain other countries for the treatment of narcolepsy. In October 2006, the parties extended the license to additional countries and to the commercialization of Xyrem® for the treatment of the fibromyalgia syndrome if and when Xyrem® is approved for this indication.

McNeil PPC, Inc. (formerly known as Warner Lambert Company, LLC)

In February 2006, UCB Inc. and McNeil PPC, Inc. (formerly known as Warner Lambert Company, LLC) entered into an exclusive, royalty-bearing license agreement for the sale of Zyrtec® (cetirizine) by McNeil PPC, Inc. in the over-the-counter market in the U.S. The term of the agreement extends until June 20, 2030.

Nektar AL Corporation

In December 2000, Nektar AL Corporation (formerly the Shearwater Corporation) granted Celltech Chiroscience Limited., an entity which was acquired by UCB in connection with its acquisition of Celltech in 2004, an exclusive worldwide license to develop, market and sell PEGylated antibody fragments which bind to soluble anti-tumour necrosis factor. Save for certain exceptions, the UCB Group is obliged to purchase the licensed product exclusively from Nektar AL Corporation. The initial term of the agreement expires on a country-by-country basis on the later of (i) the expiry of a ten year period following receipt of the first marketing authorization for the licensed product in a country of the licensed territory or (ii) the expiry of the last valid patent claim relating to the licensed product in the main territories of the United States, Europe and Japan.

Novartis Pharma GmbH

In May 2007, Novartis Pharma GmbH ("Novartis") and Schwarz Pharma Deutschland GmbH entered into a silent co-promotion agreement on Novartis' product Provas®. This agreement succeeds the co-

marketing and supply agreement dated May 1999 which was terminated by Novartis in 2007. The term of the agreement is until 31 December 2016.

On 24 August 2009 Novartis and Schwarz Pharma Deutschland GmbH entered into two further co-promotion agreements, one for Novartis' product Dafiro®, and one for Novartis' products Jalra® and Icandra®. Both agreements run until 31 August 2019.

Osmotica Pharmaceutical Corp.

UCB has an exclusive license to sell the venlafaxine extended-release tablet product from Osmotica Pharmaceutical Corp. in the U.S. The term of the agreement extends until 14 July 2013.

Otsuka Pharmaceutical Company Limited

In November 2002, Otsuka Pharmaceuticals and Schwarz Pharma entered into a development, license and supply agreement for Neupro® (rotigotine) in Japan. Under this agreement, Otsuka Pharmaceuticals develops Neupro® (rotigotine) for the Japanese market and has been granted exclusive licence rights under Neupro® (rotigotine) patents and know-how for Japan.

In June 2008, Otsuka Pharmaceuticals and UCB entered into co-promotion and co-development agreements in relation to Cimzia® in Japan and Korea, and Keppra® in Japan. The term of each of these agreements is, in relation to Cimzia®, for a period of 11 years after the date of launch of the licensed product, and in relation to Keppra® for a period of ten years after the launch of the licensed product. A co-promotion agreement between Otsuka Pharmaceuticals and UCB in relation to PletaaL® in Japan was also entered into in June 2008.

Pfizer Inc.

In April 2006, Pfizer Inc, Schwarz Pharma and Schwarz Pharma Limited/Ireland entered into an agreement under which Pfizer was granted a worldwide exclusive license under patents and know-how related to fesoterodine. The product Toviaz® for fesoterodine has already been launched by Pfizer in the US and Europe. The initial term of the agreement runs until the occurrence of Significant Generic Competition (as defined in the agreement), on a country-by-country and licensed product-by licensed product basis.

Sanofi-Aventis US LLC

In September 2006, UCB Inc. and Sanofi-Aventis US LLC. entered into an agreement to co-promote Xyzal® (levocetirizine) in the United States. The agreement extends until 31 December 2013.

(b) Research and Development Agreements

Amgen Inc.

An exclusive collaboration and license agreement entered in May 2002 by Celltech R&D Limited, an entity which was acquired by the UCB Group in connection with its acquisition of Celltech in 2004, and Amgen Inc. to develop, market and sell antibody products targeting the sclerostin protein, including CDP7851. The agreement expires if the parties cease to develop or commercialise the licensed product.

Harris FRC

In December 1999, Harris FRC and Schwarz Pharma entered into a development agreement on the development by Schwarz of lacosamide; in particular in the indications of epilepsy and neuropathic

pain; which expires with the last to expire licensed patent. The development of lacosamide in epilepsy is already finalized.

Immunomedics Inc.

In May 2006, Immunomedics, Inc. granted UCB an exclusive worldwide license to develop, market and sell epratuzumab for the treatment of any human disease except cancer. The agreement remains in force unless terminated by UCB ceasing to develop or commercialize epratuzumab.

LTS Lohmann Therapie-Systeme AG

In December 1998, LTS Lohmann Therapie-Systeme AG ("LTS") and Schwarz Pharma entered into a development and license agreement for rotigotine on a world-wide basis. Initially the territory of Japan was excluded but was added later. The license under LTS' share in certain contractual (formulation) patents for rotigotine is evergreen, while the development part of the agreement expired when Neupro® / rotigotine entered the markets. The agreement was assigned by Schwarz Pharma to Schwarz Pharma Limited/Ireland in December 2002 which, after an asset acquisition of the main rights to rotigotine from Aderis in 2002, is the Neupro® product rights owner.

Millennium Pharmaceuticals, Inc.

In October 2004, the UCB Group and Millennium Pharmaceuticals, Inc. entered into a collaboration agreement regarding the research, development and commercialization of new antibody therapeutics aimed at one validated Millennium Pharmaceuticals, Inc. target.

Wyeth

In July 2000, Celltech R&D Limited (formerly Celltech Chiroscience Limited), an entity which was acquired by the UCB Group in connection with its acquisition of Celltech in 2004, and Wyeth (formerly American Home Products) entered into an exclusive collaboration agreement extending a relationship dating from 1986 to research, develop and commercialise monoclonal antibody conjugates for use in the therapy and diagnosis of human cancers (including CMC544 and Mylotarg®). The duration of the agreement is for 40 years from the date when the last collaboration product is first put on sale in any country.

(c) Manufacturing and Supply Agreements

Cambrex Karlskoga AB

In June 2003, Cambrex Karlskoga AB and Schwarz Pharma entered into a product supply agreement for the supply of rotigotine API and (S)-5-MAT by Cambrex Karlskoga AB. The initial term of the agreement is for 15 years after approval date for the product, and will be automatically prolonged for three years each if not terminated with 24 months prior notice.

Chemtec Leuna GmbH

In December 2005, Chemtec Leuna GmbH and Schwarz Pharma Produktions GmbH (after assignment of Schwarz Pharma Limited/Ireland) entered into a supply agreement for the supply by Chemtec Leuna GmbH of lacosamide API and N-Boc-D-Serine, an intermediate of lacosamide. The initial term of the agreement is ten years after first regulatory approval of lacosamide products and will be prolonged for consecutive three year periods if not terminated with 24 months prior notice.

Lonza Limited

UCB Farchim S.A. and Lonza Limited are parties to a manufacturing and supply agreement pursuant to which Lonza Limited produces PEGylated antibody fragment-based bulk actives on the basis of the UCB Group's proprietary technology. The agreement was entered into on 26 April 2005 and expires on 31 March 2013, unless terminated by either party pursuant to certain termination rights.

LTS Lohmann Therapie-Systeme AG

In October 2002, LTS and Schwarz Pharma entered into a manufacturing and supply agreement under which LTS exclusively supplies Schwarz with rotigotine product. The initial term of the agreement is 15 years after the first order for the product and will be prolonged for consecutive five years each if not terminated with 36 months prior notice.

PCAS SA

In December 2007, PCAS SA and Schwarz Pharma Produktions GmbH (after assignment of Schwarz Pharma Limited/Ireland) entered into a supply agreement for the supply by PCAS SA of lacosamide API and N-Boc-D-Serine, an intermediate of lacosamide. The initial term of the agreement is until 3 December 2012 and will be prolonged for consecutive two year periods if not terminated with 12 months prior notice.

Sandoz GmbH

In March 2001, Celltech Chiroscience Limited, an entity which was acquired by the UCB Group in connection with its acquisition of Celltech in 2004, and Sandoz GmbH (the former Biochemie GmbH) entered into a development and manufacturing agreement, pursuant to which Sandoz GmbH shall, after an analytical and development phase, manufacture certain antibody fragment based drugs (including the API for Cimzia®) exclusively for UCB.

Vetter Pharma-Fertigung GmbH & Co.KG

In February 2007 UCB and Vetter Pharma-Fertigung GmbH & Co.KG entered into a manufacturing and supply agreement under which Vetter Pharma-Fertigung GmbH & Co.KG manufactures and supplies Cimzia® pre-filled syringes. The initial term of the agreement is for a period of three years, and it will automatically renew for a further period of two years in the event that 18 months' notice of termination is not provided by either party.

16. LEGAL PROCEEDINGS

UCB or its subsidiaries are involved in a number of legal proceedings. As a result of its global pharmaceutical operations, the UCB Group or one of its affiliates may in the ordinary course of its business become involved in proceedings relating to such matters as: product liability, price reporting, competition and antitrust, challenges to patent validity and infringement, product promotion, tax assessments and audits, and environmental liability resulting from the former specialty films activities and specialty chemicals activities of the UCB Group.

Although not an exhaustive list of claims or proceedings in which UCB or its subsidiaries are involved, this Section 15 describes what the UCB Group believes may be the matters of greatest interest. Subsequent developments in any pending matter as well as additional claims that may arise from time to time, including additional claims similar to those described below, could become significant to the UCB

Group. The UCB Group treats any claim asserted against it by a third party seriously and, with the assistance of advisors, takes steps to defend itself in any such proceedings.

The UCB Group cannot predict with certainty the outcome of any proceedings to which UCB or its subsidiaries are or may become a party. An adverse decision in a lawsuit or any other forum, or any decision taken against UCB by investigating authorities seeking damages or other payments or remedies from the UCB Group, or the UCB Group's decision to settle certain cases, could result in monetary payments or transfer of other value to the claimant and other fines, costs and expenses. If the UCB Group loses a case in which the UCB Group seeks to enforce its patent rights or where the UCB Group has been accused of infringing another company's patent rights, the UCB Group may sustain a loss of future revenue if the UCB Group can no longer sell the product covered by the patent or command prices for the affected products that reflect the exclusivity conferred by the patent, or could be held accountable financially for past patent infringement or depriving market access to third parties. While payments and other costs and expenses the UCB Group might have to bear as a result of these actions are covered by insurance in some circumstances, it is possible that the coverage under some of these could become exhausted, and other payments may not be covered by the UCB Group's insurance policies in full or at all. Accordingly, each of the legal proceedings described below could either now be or sometime in the future become significant to or have a material adverse effect upon the UCB Group.

(a) AWP Litigation

Between August 2005 and May 2006, Erie, Oswego, and Schenectady, all of them counties of the State of New York (USA), filed three separate suits with the Supreme Court of the State of New York against approximately 77 pharmaceutical manufacturers, including the UCB Group, for damages sustained by allegedly fraudulent reporting of "average wholesale price(s)" on prescription drugs paid under Medicaid. The counties claim that these practices began in 1992 and led to the overpayment of the defendants for drugs prescribed under Medicaid. The judge in the Erie County case granted defendants' joint motion to dismiss with respect to most of plaintiff's claims, but allowed plaintiffs' claims for fraud, violation of New York social service law and unjust enrichment to proceed. Discovery has not commenced in the Oswego and Schenectady cases. The three complaints allege overcharges related to the sale of certain products, including Keppra®, by the UCB Group.

(b) Diet Drug Cases (Ionamin®)

Prior to the acquisition of Celltech by the UCB Group in 2004, various Celltech entities were named as co-defendants in over 7,000 cases claiming personal injury relating to heart valve defects from the "Phen-Fen" diet drug combination. Ultimately, Wyeth, the manufacturer of fenfluramine and dexfenfluramine established a settlement fund, which as of the date hereof totals approximately US$5 billion to settle claims. The litigation is organized in the form of a class action/multi-district litigation. As of the date hereof, there have been no judgments against any Celltech or UCB Group entities, nor has any Celltech or UCB Group company paid any money to any claimant in settlement of any related claims. As of 25 August 2009, Celltech/UCB, the manufacturer of Ionamin□, a phentermine, had been dismissed from all but approximately 35 cases without any liability. Of those 35 cases, all are pending dismissal.

(c) Vaccine Cases (Thiomerosal)

Prior to the acquisition of Celltech by the UCB Group in 2004, various Celltech entities were named as co-defendants in over 600 cases alleging that diptheria/tetanus vaccines marketed by Celltech contained mercury that led to autism in children who received the vaccines. As of 25 August 2009, UCB/Celltech Group entities had been named in a total of 129 vaccine cases (some with multiple claimants), filed in California, Illinois, Mississippi, Ohio and Texas. Of the 129 cases, 41 remain technically "active" (i.e., undismissed). Three of the 41 active cases were never served upon the named UCB/Celltech entity. The other 38 active cases, which are pending in Illinois and Ohio, remain subject to stays imposed by the courts. As of the date hereof, the UCB Group has not made any settlement payments and has not been assessed with any liability in these cases.

(d) Metoclopramide Cases (Reglan®)

In December 2001, Wyeth sold certain rights associated with brand name Reglan® tablets to Schwarz Pharma, Inc., which Schwarz Pharma, Inc. thereafter manufactured and distributed until 2008. Since Schwarz Pharma, Inc. acquired the rights to brand name Reglan® tablets, it has been named as a defendant in 60 metoclopramide cases in various jurisdictions across the United States. Generally, these lawsuits have alleged that Schwarz Pharma, Inc., Wyeth and/or those companies that manufacture generic metoclopramide (an FDA-approved prescription drug used to treat gastroesophageal reflux disease and the active ingredient in Reglan®) failed to adequately warn about the "true" risk of side effects associated with the use of Reglan®, including: (a) that therapy with Reglan® for more than 12 weeks is unsafe; and (b) that the risk of developing tardive dyskinesia is far greater than as represented in the drug's labelling information. As of the date hereof, approximately 21 cases remain pending against Schwarz Pharma, Inc.

(e) US Department of Justice Investigation (Keppra®)

On 11 April 2008, UCB received a subpoena from the United States Department of Justice seeking documents relating to the marketing and promotion of Keppra® for the period from 1 January 1999 until 11 April 2008. UCB is cooperating and has produced and continues to produce information in connection with this review by the U.S. Government. The UCB Group is unable to predict with any certainty the outcome of this ongoing review, but it could result in fines or other financial or non-financial penalties.

(f) US Department of Justice Investigation (Deponit ® and hyoscyamine sulfat)

On or around 28 June 2006, Schwarz Pharma, now an affiliate of UCB, received a subpoena from the United States Attorney's Office for the District of Massachusetts relating to Schwarz Pharma's sale of the drug product Deponit® and the federal government's payments to the states for Deponit® under the Medicaid program. The U.S. Government has indicated that it is investigating whether these federal government payments were appropriate during different periods of time given the FDA regulatory status of Deponit®. During 2008, UCB has provided the U.S. Government with documents and information in response to the subpoena, and presented views on why the federal government payments at issue were appropriate. In January 2009, Kremers Urban LLC, an affiliate of UCB, received a subpoena from the United States Department of Justice and the United States Attorney's Office for the Southern District of Texas seeking documents and information related to hyoscyamine sulfate products sold by Kremers Urban LLC. UCB is cooperating with the U.S. Government's review of these matters. The UCB Group is unable to predict with any certainty the outcome of this ongoing review, but it could result in fines or other financial or non-financial penalties.

(g) Distilbène Litigation

As of the date hereof, entities of the UCB Group have been named as defendants in more than one hundred actions, the majority of which have been filed in France. Approximately 70 of these actions are active. The claimants to these actions claim that their mothers took Distilbène, a former product of the UCB Group, during their pregnancy, and that the claimants suffered either clear cell adenocarcinoma of the cervix, malformations of the genital track or dysplasia/squamous cells cancer as a consequence of this exposure. These actions include six claims of premature births due to genital track anomalies.

UCB is unable to estimate the total number or types of Distilbène related cases that may be filed in the future, nor is UCB able to estimate the total liability nor whether such liability will be fully insured as a result of these cases.

(h) Metadate™CD Litigation

A suit is pending in the District Court of Delaware in the U.S. against KV Pharmaceutical Company, which has filed an ANDA application with Paragraph IV certification for the 40, 50 and 60 mg strengths of Metadate™CD. Discovery is ongoing with a trial expected during the second quarter of 2010 and the applicable 30 month stay expiring in September 2010. Depending on the outcome of this litigation, generic versions of one or more of these strengths of Metadate™CD could possibly enter the market in the third quarter of 2010.

(i) Xyzal® Litigation

In major European countries, UCB holds an exclusive licence under a patent owned by Sepracor Inc. which covers the main antihistamine indications of Xyzal®. These patents have been challenged by generic companies in certain European countries and the United States.

Depending on the outcome of these litigations and certain regulatory challenges in European countries, it is possible that generic versions of Xyzal® may enter the market in key European countries later in 2009, and in the U.S. in 2010.

(j) Apotex Inc.

Apotex Inc., a generic company based in Canada, has commenced a claim against UCB (as the former owner of the UCB bioproducts business sold to Lonza in 2006) and Lonza Braine SA (a subsidiary of Lonza) claiming for damages for failure to deliver desmopressin on time, in quantity and within specifications, which Apotex Inc. alleges made it impossible to launch the product in Canada and the U.S. in it's anticipated timeframe. Apotex Inc. has accused UCB and Lonza Braine SA of committing to provide certain volumes of desmopressin which were not delivered.

In addition to this claim by Apotex Inc., UCB's former agent S&D Chemicals (Canada) Limited has introduced a parallel claim against UCB and Lonza Braine SA for lost commission due to failed orders for desmopressin.

Proceedings have commenced in the Ontario courts, and UCB is currently working with Canadian counsel to prepare a full defence to this claim. It is not possible to assess the likelihood or the amount, if any, of financial exposure to the UCB Group.

(k) **Challenges to the domination** and profit transfer agreement between UCB SP GmbH and Schwarz Pharma

After the acquisition of the majority of shares in Schwarz Pharma by UCB SP GmbH in December 2006 and the adoption of a domination and profit transfer agreement ("DPTA") between UCB SP GmbH and Schwarz Pharma by the general shareholder's meeting of Schwarz Pharma in May 2007, sixteen minority shareholders of Schwarz Pharma filed challenge actions against the respective shareholder's resolution with the District Court of Düsseldorf in Germany.

In order to receive an early registration of the DPTA in the commercial registry of the company and therefore to make the DPTA effective despite the pending challenge actions described above, Schwarz Pharma, as a counter motion, filed for a proceeding for early registration ("Freigabeverfahren") with the District Court of Düsseldorf, which decided in favor of Schwarz Pharma on 30 April 2008. An appeal was filed against this decision by the minority shareholders with the Higher Court of Düsseldorf, which also ruled in favor of Schwarz Pharma on 18 December 2008; making the DPTA final and binding as of that date.

On 6 March 2009, the District Court of Düsseldorf dismissed the challenge actions of the minority shareholders. Out of the sixteen initial claimants, only one filed for appeal with the Higher Court of Düsseldorf in April 2009. The Board does not believe this remaining litigation poses a material financial risk to the UCB Group.

(l) **Appraisal procedure for judgment on adequate compensation and guaranteed dividend under the DPTA between UCB SP GmbH-Schwarz Pharma**

After the acquisition of the majority of shares in Schwarz Pharma by UCB SP GmbH in December 2006 and the adoption of the DPTA between UCB SP GmbH and Schwarz Pharma by the general shareholder's meeting of Schwarz Pharma in May 2007, foreseeing an adequate compensation for potential tendering of shares by minority shareholders and a guaranteed dividend, fifty three minority shareholders filed for an appraisal procedure against UCB SP GmbH to challenge the adequateness of such compensation and guarantee dividend in August 2007. After numerous filings of argumentative writs of both claimants and defendant, a date for an oral hearing has not yet been set by the court.

At the general shareholders' meeting of Schwarz Pharma in July 2009 a squeeze-out resolution was passed which was already registered in the commercial registry of the company and resulted in the transfer of all minority shares to UCB SP GmbH in exchange for adequate compensation determined by the court to be €111.44 per share. As at the end of September 2009, three minority shareholders initiated an appraisal procedure against UCB SP GmbH to challenge the adequacy of such compensation fixed in the resolution.

(m) **Tax authority reviews relating to the UCB Group**

The UCB Group operates in a number of jurisdictions around the world, each of which has its own tax regulations and statutes under which the UCB Group may have payment obligations. On occasion, tax authorities may initiate a review of the UCB Groups' compliance with its tax regime. There are several such reviews pending regarding the UCB Group in a range of jurisdictions such as Germany, the UK, Spain, Turkey and Italy. The UCB Group is not able to predict with certainty the outcome of such reviews, or the impact that such reviews may have on the business of the UCB Group.

(n) Competition enquiry in France

The French competition authority has, for several years, been reviewing certain actions by UCB's French affiliate in relation to Zyrtec® which took place during 2004. The French Competition Authority is reviewing whether UCB's decision to cease the commercialization of Zyrtec® as a prescription-only product, and to instead make it available only on an over-the-counter basis may have been anti-competitive. The procedure is currently in the review stage and no statement of objections setting out the allegations has yet been issued. UCB has no current indication of whether the matter will proceed further or be dismissed.

(o) Alleged breaches of environmental law

In 1997 Rogers Corporation acquired the shares of UCB Induflex NV, a Belgian company which was subsequently renamed Rogers Induflex NV. Several years later Rogers Induflex NV demanded damages from UCB for alleged soil contamination with respect to UCB's former site. The parties met but did not come to an arrangement. Subsequently Rogers Induflex NV filed a criminal complaint against UCB Induflex NV, based on alleged violations of environmental law, which specified damages in the region of €300,000. Further to the criminal investigation, the Belgian Chamber of the Court has recently decided to refer UCB Induflex NV together with one of its former employees to the Belgian Criminal Court to stand trial for such alleged violations of environmental law. UCB has decided to file an appeal against this referral decision. UCB denies the charges and contests the referral to the Belgian Criminal Court.

PART VII: MANAGEMENT AND CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS

The Board of Directors of the Issuer is the governing body of the Issuer. The current Board is composed of 13 Directors. The Board appoints a chairman and one or more vice-chairmen among its members. The Board appointed Karel Boone as its chairman in 2008 and Evelyn du Monceau as the only vice-chairperson of the Board in 2006. Roch Doliveux is the chief executive officer and chairman of the executive committee to whom the Board has delegated certain of its powers (the "Executive Committee"). The following table sets forth the name, position and first year of appointment of the current members of the Board: A4 – 10.1

Name	Position	As in present function	Year First Appointed as Board member	Up for Election in
Karel Boone[2]	Chairman	2008	2000	2012
Evelyn du Monceau[3]	Vice-Chairperson	2006	1984	2011
Roch Doliveux[1]	Chief Executive Officer	2004	2004	2010
Prince Lorenz of Belgium[2]	Non executive Director		2001	2010
Armand de Decker[2]	Non executive Director		2008	2011
Peter Fellner	Non executive Director		2005	2011
Jean-Pierre Kinet[2]	Non executive Director		2008	2011
Thomas Leysen[2]	Non executive Director		2009	2011
Gerhard Mayr[2]	Non executive Director		2005	2011
Norman J-Ornstein[2]	Non executive Director		2008	2011
Arnoud de Pret[3]	Non executive Director		2005	2011
Bridget van Rijckevorsel[3]	Non executive Director		1992	2011
Gaetan van de Werve[3]	Non executive Director		2006	2012

1 Roch Doliveux is also the chairman of the Executive Committee.

2 These Directors meet all independence criteria according to the Belgian Companies Code 2009 (the "BCC") and the 2009 Belgian Code on Corporate Governance (the "2009 Code").

3 These Directors are representatives of Financière de Tubize S.A., the reference shareholder of the Issuer

The business address for each of the foregoing Directors is UCB S.A., 60 Allée de la Recherche, 1070 Brussels, Belgium.

Karel Boone was appointed chairman of the Board in 2008, after being appointed to the Board in 2000. A commercial engineer (K.U.Leuven, Belgium), Karel Boone started in 1966 as an executive member of the board of directors of Lotus Bakeries S.A. (now Lotus Biscuits S.A.) and became chief executive officer in 1974 when Lotus Biscuits merged with Corona. He was also Executive Chairman of the Board of Directors from 1992 until 2006 when he became non-Executive Chairman of the Board. He is a member of the following boards of directors: Axa Belgium S.A., Banque Degroof S.A., Compagnie du Bois Sauvage S.A. and Vendemoortele S.A. (chairman). He is a member of the Corporate Governance Committee for Belgian listed companies. He is also active in professional organisations; he has been chairman of the Federation of Belgian Companies.

Evelyn du Monceau has been a member of the Board since 1984 and has been elected vice-chairperson of the Board since 2006. She has also acted as chairperson of the Remuneration and Nominations Committee since 2006. Evelyn du Monceau graduated in Applied Economics from the Catholic University of Louvain UCL in Belgium. She then followed courses in International Relations at the Kennedy School of Harvard University (U.S.) and in Soil Science, Animal Science and Zoology at the Agricultural and Technical College of Farmingdale (U.S.). Evelyn du Monceau is a member of the board of directors of Financière de Tubize S.A. and of Solvac S.A.

Roch Doliveux is a doctor in Veterinarian Medicine from Maisons-Alfort (France), and also Laureate of the Faculty of Medicine, Créteil, and holds an MBA from INSEAD (France) with distinction. He joined the pharmaceutical industry early, first at Ciba-Geigy (now Novartis) in Switzerland, in Peru and in France, and then at Schering-Plough Corporation in various positions, including President of Schering-Plough International. Then, Roch Doliveux joined the Pierre Fabre group a Chief Executive Officer of Pierre Fabre Pharmaceuticals. Roch Doliveux joined UCB in October 2003 as Director General of the Pharma Sector and Deputy Chairman of the Executive Committee. He became CEO and Chairman of the Executive Committee of UCB Group on January 1, 2005. He is a member of the Board of Directors of UCB, as well as a member of the Board of the European Federation of Pharmaceutical Association (EFPIA), of the INSEAD International Council, the Science & Business Innovation Board, the Caring Entrepreneurship Fund (King Baudouin Foundation) and WILL (Walloon Institute for Life Lead Sciences).

Prince Lorenz of Belgium was appointed to the Board in 2001. Prince Lorenz of Belgium has studied economics in Switzerland and Austria. After one and a half years spent in various banks in London, Paris and Rome, he started a career in 1983 at E. Gutzwiller & Cie, Banquiers in Basle and later became the company's managing partner, a position he continues to hold. In 1993, he spent one year as Consultant for Swift S.C.CEO and from 1995 he became an advisor to the board of directors of BNP Paribas in Paris. He is a member of various boards of directors in Europe.

Armand de Decker has been a member of the Board of the Issuer since 2008. Armand de Decker holds a Master of Law Degree from the University of Brussels (ULB, Belgium) and started his career as a lawyer. In parallel, from 1979, he pursued a political career within the Belgian Liberal Party. In 1981, he was elected to the Belgian Chamber of Representatives where he served until 1995. In 1995, he was elected to the Belgian Senate, and re-elected in 1999, 2003 and 2007. He served as President of the Council of the Brussels-Capital Region from 1995 to 1999, and from 1999 to 2004 he was President of the Senate. From 20 July 2004 until 12 July 2007, he served as the Minister of International

Development Cooperation in the Belgian Federal Government. Armand De Decker is currently Mayor of Uccle (a commune of Brussels) and has been re-elected President of the Senate on 12 July 2007. Armand De Decker has received numerous special recognitions from many countries (among others, Belgium, France, Spain, Sweden, Finland, Denmark, Italy, Mexico) and has various mandates in organisations such as Alzheimer Belgique (the Belgian Alzheimer's association), the Belgian Royal Institute of International Relations, and the Belgian Reference Centre for Expertise on Central Africa.

Peter Fellner was appointed to the Board in 2005. Peter Fellner is chairman of Vernalis plc, and of the privately held UK biotechnology company, Astex Therapeutics Ltd. He is also a director of Qinetiq Group plc, Evotec AG, and Consort Medical plc (previously Bespak plc). He was previously chairman of Celltech Group plc, having served as its chief executive officer from 1990 to 2003. He oversaw its development into the UK's largest biotechnology company, until its acquisition by the Issuer in 2004. Before joining Celltech, he served as chief executive officer of Roche UK, from 1986 to 1990. From 1984 to 1986 he was director of the Roche UK Research Centre.

Jean-Pierre Kinet has been a member of the Board since 2008. He holds a medical degree (MD) from the University of Liège (ULg, Belgium). He is a professor of pathology at Harvard Medical School and at the Beth Israel Deaconess Medical Center in Boston (U.S.). He is a member of numerous Harvard, U.S. and international committees such as National Institutes of Health (NIH) expert panels and the International Strategic Support Committee of Biowin (Health Cluster of Wallonia). He has extensive experience in the research and development of novel therapies and is a board member of several biotechnology companies.

Thomas Leysen has been a member of the Board since January 2009. He has been chairman of the board of Umicore since 19 November 2008, and was previously chief executive officer of Umicore from May 2000 until 19 November 2008. He holds a Master of Law Degree from the University of Leuven (K.U.Leuven, Belgium). He started his career in the maritime business in Hamburg, London and Tokyo. From 1983 to 1988, he managed the Transcor group, which he built into an international oil and coal trading company with activities in Europe, America and Asia. He joined Umicore in 1993 as a member of the Executive Committee, and successively managed several industrial divisions. He became executive vice president of the company in 1998. Thomas Leysen is also chairman of the board of Corelio, Belgium's largest newspaper-publishing group, member of the board of CMB (Compagnie Maritime Belge), Norddeutsche Affinerie, Etex Group as well as member of the supervisory board of Bank Metzler in Frankfurt. He is chairman of FEB – VBO (Federation of Belgian Enterprises) and former Chairman of Eurométaux (the European metals industry federation). He is also president of the BJA (Belgium-Japan Association). He is a member of the Trilateral Commission and of the European Round Table of Industrialists (ERT). In the cultural sphere, he is a member of the board of trustees of the Rubens House Museum in Antwerp and is chairman of the Art Purchase Fund of the Fondation Roi Baudouin.

Gerhard Mayr was appointed to the Board in 2005. A native of Austria, Gerhard Mayr received a Master's Degree in chemical engineering from the Swiss Federal Institute of Technology (Zurich, Switzerland) in 1969, and an MBA from Stanford University (U.S.) in 1972. In March 2004, he retired as executive vice-president of pharmaceutical operations at Eli Lilly & Company after 32 years of service. He had been responsible for global pharmaceutical operations, and sales and marketing worldwide at Lilly. Gerhard Mayr is a former chairman of both the International Executive Committee and the Europe Committee of the Pharmaceutical Research Manufacturers of America. He was a board member of the European Federation of the Pharmaceutical Industry from 1995 to 1997 and from 2000 to 2002. Gerhard Mayr is a member of the board of Lonza Group Ltd.

Norman J-Ornstein was appointed to the Board in 2008. He is a resident scholar at the American Enterprise Institute for Public Policy Research (AEI) based in Washington, DC (U.S.) and he counsels government campaign commissions. He also serves as an election analyst for CBS News and writes in several U.S. newspapers. He has also published several books related to U.S. politics. Norman Ornstein has a Bachelor of Arts degree from the University of Minnesota (U.S.), from which he also received an honorary Doctor of Laws degree, and he achieved a Master of Arts and Ph.D. from the University of Michigan (U.S.). He served as a member of the board of the Public Broadcasting Service (PBS) and is currently on the board of Directors of the Campaign Legal Center, as well as on the board of Trustees of the U.S. Capitol Historical Society.

Arnoud de Pret was appointed to the Board in 2005 and has chaired the Audit Committee since 2005. A commercial engineer from UCL (Louvain), Arnoud de Pret started his career as a credit officer with Morgan Guaranty Trust of New York (in Brussels and Antwerp) in 1971. He became treasurer and corporate finance manager of Cockerill S.A. (Liège) in 1978. He joined the Issuer (Brussels) in 1981 as chief financial officer and became a member of the Executive Committee in 1986. In 1990 he left the Issuer and became treasurer and corporate finance manager at Société Générale de Belgique S.A before joining Umicore SA in 1991 as chief financial officer and member of the management committee until May 2000. Arnoud de Pret is director and member of the audit committee of InBev S.A., Umicore S.A., Sibelco S.A., Delhaize Group S.A. and serves as member of the supervisory board of NYSE Euronext.

Bridget van Rijckevorsel was appointed to the Board in 1992. Mrs van Rijckevorsel is a member of the board of directors of various privately-owned investment companies.

Gäetan van de Werve was appointed to the Board in 2006. A Doctor of Law (K.U.Leuven, Belgium), he also holds an MBA from Vlerick Management School (RUG). He joined Petrofina S.A. in 1973 where he held various management responsibilities in the areas of supply, sales and marketing. He was the managing director of Sigma Paints in Thailand from 1983 to 1985. In 1992 he joined the European Petroleum Industry Association (EURPIA) as an executive officer where he was responsible for environment, tax and legal. In 1996 he joined the Belgian Oil Industry Association as secretary-general. Gäetan van de Werve is not a member of the board of directors of another listed company.

No member of the Board has been convicted in relation to fraudulent offences or has been associated within the past five years, with any bankruptcies, receiverships or liquidations and/or any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies). Furthermore, no member of the Board has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or, within the past five years, has been disqualified from acting in the management or conduct of the affairs of any issuer.

2. EXECUTIVE COMMITTEE

The Executive Committee is vested with all the duties, powers and authorities assigned to it by the Board. The Board nonetheless continues to bear ultimate responsibility for the management of the Issuer and theoretically has the competence to make decisions in the place of the Executive Committee.

According to section 5.1.1 of the charter of corporate governance of the Issuer (the "Charter"), the Executive Committee has responsibility for executing the strategy of the Issuer and the UCB Group as approved by the Board, in particular in the areas of research and development, operations, financial, administrative, risk and legal issues, human resources and investment.

The Executive Committee consists of seven members; only the chairman of the Executive Committee is a member of the Board. The members of the Executive Committee are appointed for an indefinite term but can be dismissed by the Board at any time. The chairman of the Executive Committee is appointed by the Board upon proposal by the Remuneration and Nomination Committee. The other members of the Executive Committee are appointed by the Board upon recommendation of the chairman of the Executive Committee and upon proposal by the Remuneration and Nomination Committee.

The current members of the Executive Committee are:

Name	**Position**
Roch Doliveux	Chief Executive Officer and Chairman of the Executive Committee
Michèle Antonelli	Executive Vice President Technical Operations & Quality Assurance
Fabrice Enderlin	Executive Vice President, Corporate Human Resources
Iris Löw-Friedrich	Executive Vice President, Global Projects & Development, Chief Medical Officer
Mark McDade	Executive Vice President, Global Operations
Detlef Thielgen	Executive Vice President and Chief Financial Officer
Robert Trainor	Executive Vice President, and General Counsel

The business address for each of the foregoing members of the Executive Committee is UCB S.A., 60 Allée de la Recherche, 1070 Brussels, Belgium.

Roch Doliveux please see the information above at Section 1 of this Part VII.

Michele Antonelli was appointed to the Executive Committee in September 2008. He has a degree in Plant Biology from the University of Bari, Italy, and qualified for the ENI's post graduate programme in Biotechnology and in Advanced Genetics (molecular and somatic cell) at the Catholic University of Piacenza and Iowa State University of Ames (U.S.). From 1985 to 1992, he worked at Enichem, in Italy, as Research Fellow and then Head of the Molecular and Cell Biology Unit. In 1992 he joined Serono where he held several senior managerial positions until he joined the Issuer in 2008, gathering about 15 years' experience in the Q.A. and Manufacturing fields. His last position at Serono was as Senior Vice President of Biotech Manufacturing & Process Development, based in Geneva.

Fabrice Enderlin was appointed to the Executive Committee in March 2008. He was previously Vice President of Human Resources at GSK Biologicals, and at GSK France, Novartis, and Arcelor/Mittal. He Graduated from the "Political Sciences Institute" and has a Master's Degree in HR.

Iris Löw-Friedlich was appointed to the Executive Committee in March 2008. She was previously head of Research & Development and a member of the Executive Board of Schwarz Pharma AG, after having held the position of vice-president of Global Projects at BASF Pharma. Since June 2007, she has also been a member of the supervisory board of Wilex AG.

Mark McDade joined the Issuer as executive vice-president of Corporate Strategy and Business Development in April 2008. From 2002 until late 2007 he was chief executive officer and a director of PDL BioPharma, Inc. Prior to PDL, he served as chief executive officer of Signature BioScience, Inc. and was previously a co-founder and director of Corixa Corporation, where he served as chief operating officer from September 1994 through December 1998, and as president and chief operating officer from January 1999 until his departure in late 2000. Before Corixa, Mark McDade was chief operating officer of Boehringer Mannheim - Therapeutics, and prior to that held several positions at Sandoz Ltd. including business development, product management and general management. Mark McDade received a Bachelor of Arts from Dartmouth College and an MBA from Harvard Business School (U.S.).

Detlef Thielgen was appointed to the Executive Committee in January 2007. He was previously chief financial officer and then chief executive officer of Schwarz Pharma AG, managing director of Schwarz Pharma Operations covering the worldwide manufacturing and supply chain functions and vice-president of Finance & Administration/chief financial officer at Schwarz Pharma Inc/USA.

Robert Trainor was appointed to the Executive Committee in October 2005. He is executive vice-president and general counsel of the Issuer. Before joining the Issuer, he was vice-president and associate general counsel of Schering-Plough, assistant general counsel of Johnson & Johnson and an attorney with the New York law firm Donovan Leisure Newton & Irvine. He started his career as counsel of the Committee on the Judiciary at the United States House of Representatives.

None of the members of the Executive Committee has been convicted in relation to fraudulent offences or has been associated within the past five years, with any bankruptcies, receiverships or liquidations and/or any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies). Furthermore, none of the members of the Executive Committee has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or, within the past five years, has been disqualified from acting in the management or conduct of the affairs of any issuer.

The Executive Committee met twice a month during 2008 and continues to do so in 2009, and there were no transactions or contractual relationships in 2008 between the Issuer, including its related companies, and a member of the Executive Committee which could create a conflict of interests. A4 – 10.2

3. CORPORATE GOVERNANCE

In accordance with principle 9 of the 2009 Code, the Issuer has established a Charter describing all main aspects of its corporate governance policy; it has until now included a corporate governance chapter in its annual report, and will, as of 2010, include a corporate governance statement in compliance with the 2009 Code. A4 – 11.2

The Charter describes the main aspects of the corporate governance of the Issuer including its governance structure, the terms of reference of the Board and its committees and other important topics. The Charter is available, together with the articles of association (the "**Articles**") of the Issuer, on the Issuer's website (www.ucb.com). The Board approved the initial Charter on 28 October 2005 and the current version of the Charter was approved on 27 February 2009.

(a) Board of Directors

Pursuant to the BCC, public limited liability companies are managed by a board of directors consisting of at least three directors. The board of directors may perform all acts necessary or useful for achieving the company's corporate purpose, with the exception of those acts that are by law or the Articles explicitly reserved for the company's general shareholders meeting. The board of directors also represents the company vis-à-vis third parties and before courts. The board of directors may delegate the company's day-to-day management to one or more persons, whether directors or not, acting jointly or separately.

The Board appoints and removes the chief executive officer, who chairs the Executive Committee. The role of the chief executive officer together with the Executive Committee is to implement the mission, strategy and targets set by the Board and to assume responsibility for the day-to-day management of the company. The chief executive officer reports directly to the Board.

According to the law and the Articles, the members of the Board are appointed by the general meeting of shareholders of UCB (the "**General Meeting**") for a term of three years and are at all times subject to dismissal by the General Meeting with or without cause. Directors may be re-elected following the expiration of the term of their appointment. The number of Directors shall be at least three.

According to section 3.1.2 of the Charter, the members of the Board are either executive or non executive Directors. Non executive Directors have no executive responsibilities within the Issuer. The terms of reference of the Board in the Charter require that a majority of the Directors are non executive Directors, and at present the chairman of the Executive Committee (also the Chief Executive Officer) is currently the only executive Director of the Company. Furthermore, seven of the Directors meet all independence criteria according to the BCC and the 2009 Code, being free from any business, close family or other relationships with the Issuer, its controlling shareholders or the management of either that could create a conflict of interest such as to affect their independent judgment as a Director. The executive Director communicates all information concerning the Issuer's business and finances required for efficient running of the Board. The Board discusses and determines the key policies and strategy proposed by the Executive Committee, identifying the key steps to be taken to develop the UCB Group.

The Board meets whenever the interests of the Issuer so require or at the request of one or more Directors. In principle, the Board will meet at least seven times per annum. The decisions of the Board are made by a simple majority of the votes cast. The chairman of the Board has the casting vote.

According to section 3.1.1 of the Charter, the Board has reserved certain powers, which include in particular the determination of UCB's mission, values and strategy, monitoring of the management, appointment and removal of members of the audit committee of UCB (the "**Audit Committee**"), the remuneration and nomination committee of UCB (the "**Remuneration and Nomination Committee**") and the Executive Committee, approval of the annual investment budget, determination of the annual research and development programme, long-term or major finance operations and re-organisation of UCB and the UCB Group. The Board has delegated certain of its administrative powers to the Executive Committee, the scope and powers of which are set out in sections 5.1.1 and 5.1.2 of the Charter.

In accordance with the 2009 Code, the Issuer has adopted a code on private investment transactions (the "**Internal Code**") applicable to its Directors, senior executives, key employees, their secretaries and assistants, all employees of the UCB Group and their family members (the "**Insiders**") and outsiders to prevent insider trading offences and market abuse by prohibiting dealing in Ordinary Shares or other financial instruments of UCB, particularly during the periods preceding the publication of financial

results or information which is liable to considerably influence the price of Ordinary Shares or the share price of a company targeted by a planned operation (a close period). The Internal Code also establishes rules to set limitations in transactions by certain key employees of the UCB Group.

Close periods currently extend from 1 January to two days after the publication of the annual results and from 1 July to two days after the publication of the half year results. No Insider or other employee is allowed to buy or sell UCB (related) securities during close periods. Moreover, even during trading windows, Insiders are not allowed to trade in UCB (related) securities when in possession of material non-public information.

The Board has designated a compliance officer (the "**Compliance Officer**") who monitors compliance with the rules of the Internal Code. The Internal Code provides for an obligation for Insiders to notify the amount of Ordinary Shares involved and the type of transaction they intend to make for their own account to the Compliance Officer. Additionally, under Belgian law, Directors, members of the Executive Committee and their close family members have to notify each transaction in UCB (related) securities to the CBFA within five business days following the transaction.

(b) Audit Committee

According to section 4.2.2 of the Charter, the Audit Committee is composed of three non-executive Directors the majority of whom are independent according to the BCC and the 2009 Code independence criteria. The current members of the Audit Committee are Arnoud de Pret (chairman), Karel Boone and Prince Lorenz of Belgium. According to section 4.1.2 of the Charter, the duration of the renewable term of its members is three years, corresponding to the term of appointment of Directors. The Audit Committee meets at least four times a year, and met four times in 2008. A4 – 11.1

According to section 4.2.1 of the Charter, the Audit Committee assists the Board in its responsibility of monitoring the management of the Issuer and the UCB Group as a whole, and more specifically with regard to the reliability of financial information, compliance with relevant laws and regulations and efficient internal control processes within the Issuer. The Audit Committee makes recommendations to the Board. The Board, however, has the exclusive power of decision.

The assignments of the Audit Committee can vary according to the circumstances. However, the Audit Committee performs the functions such as verifying the quality and reliability of the Issuer's consolidated semi-annual and annual accounts submitted to the Board, evaluating the checking and audit methods implemented at UCB Group level, and examining together with the external auditors the range, scope and method of the performed audit and to examine the results of the external audit and the reports submitted by the external auditors to the shareholders.

The Audit Committee regularly invites the chief financial officer, the internal auditor, the chairman of the risk management committee, the vice-president, and the external auditors to attend its meetings.

(c) Remuneration and Nomination Committee

The Remuneration and Nomination Committee is composed of four non-executive Directors: Evelyn du Monceau (Chair), Karel Boone, Gerhard Mayr and Gaetan van de Werve. The duration of the renewable term of appointment of its members is three years, corresponding to the term of appointment of Directors. In principal, the Remuneration and Nomination Committee meets three times a year, and met three times in 2008.

The duties and responsibilities of the Remuneration and Nomination Committee are determined by the Board. According to section 4.3.1 of the Charter, the Remuneration and Nomination Committee is responsible for the appointment and re-election process for members of the Executive Committee. Additionally, it proposes the remuneration policy for non-executive Directors and executive managers, and proposes the compensation programmes for executive managers. The Remuneration and Nomination Committee makes recommendations to the Board. Only the Board, however, has the power of decision.

The duties of the Remuneration and Nomination Committee include, among others, submitting to the Board proposals for appointment, removal or dismissal of members of the Board and the Executive Committee, determining overall remuneration and any other fixed or variable allowances allocated to members of the Executive Committee, and approving changes in the system of remuneration for the UCB Group's senior executives.

The chairman of the Remuneration and Nomination Committee and the chairman of the Executive Committee propose some matters jointly to the Remuneration and Nomination Committee, such as the conditions, bonus remuneration and awarding of free stock or stock options for the other members of the Executive Committee. The chairman of the Remuneration and Nomination Committee is responsible for conducting the annual assessment process of the Board and for reporting the results to the Board.

The Remuneration and Nomination Committee is attended by the chairman of the Executive Committee, who does not take part in meetings regarding issues with respect to his own position, and the executive vice-president of human resources, who is also the Remuneration and Nomination Committee's secretary for the meetings. It is also advised by external experts when this is deemed useful by the Remuneration and Nomination Committee.

4. COMPENSATION

The following table sets forth the remuneration paid to the members of the Board during the financial year ended 31 December 2008 and for each member's term beginning 1 January 2008 and ending 31 December 2008.

Name	**Remuneration (in €)**
Current Directors	
Karel Boone (appointed Chairman on 24 April 2008)	116,667
Evelyn du Monceau	95,833
Roch Doliveux	60,000
Prince Lorenz of Belgium	64,000
Armand de Decker (appointed to the Board on 24 April 2008)	45,000

Peter Fellner	60,000
Jean-Pierre Kinet (appointed to the Board on 24 April 2008)	45,000
Gerhard Mayr	65,667
Norman Ornstein (appointed to the Board on 24 April 2008)	44,000
Arnoud de Pret	73,333
Bridget van Rijckevorsel	60,000
Gaëtan van de Werve	66,667
Previous Directors	
Alan Blinken (term ended 24 April 2008)	16,667
Georges Jacobs (term ended 24 April 2008)	30,000
Guy Keutgen (term ended 24 April 2008)	16,667
Patrick Schwarz-Schütte (term ended 30 April 2009)	59,000
Jean-Louis Vanherweghem (term ended 24 April 2008)	15,000

Until 24 April 2008 the annual emoluments of each member of the Board were €39,000 and for the chairman of the Board €78,000. Additionally, each member of the Board received meeting attendance fees of €1,000 (€2,000 for the chairman of the Board) per meeting and an additional remuneration of €5,000 for each member of the Audit Committee and for each member of the Remuneration and Nomination Committee (€10,000 for the chairman of each such committee). For the financial year ended 31 December 2008, the aggregate compensation and other benefits paid to members of the Board was €933,501.

Based on revised benchmarks which included remuneration of Board members of comparable U.S. companies and remuneration of Board members of European biopharmaceutical companies the General Meeting of 24 April 2008 approved, as from that date, that the annual emoluments of the Directors are now to be €60,000, €120,000 for the chairman of the Board, and €90,000 for the vice-chairperson. The vice chairperson is now entitled to €1,500 per annum as meeting attendance fees.

Based on 2008 achievements, the Board has approved a salary increase of 2 per cent. in 2009 and the chief executive officer's new annual base salary for 2009 will be €1,238,303. The chief executive officer's total compensation (base salary and bonus and long-term incentives) for 2008 amounts to €2,739,294 (excluding pension contributions and other benefits), which is 22 per cent. lower than in 2007. This is caused by the decrease in the value of the long-term incentives.

The following table sets forth the remuneration paid to the members of the Executive Committee during the financial year ended 31 December 2008. Except for the chairman of the Executive Committee, Roch Doliveux, whose remuneration is disclosed on an individual basis, the remuneration paid to the remaining members of the Executive Committee is disclosed on an aggregate basis.

	Retirement benefits

Name	Base salary	Bonus	based service cost	Other components
	(in €)	(in €)	(in €)[4]	(in €)
Roch Doliveux	1,210,055	751,119	1,246,882	1,433,853
Other members of the Executive Committee (in aggregate)	2,765,414	2,354,361	1,142,673	3,118,653

For the financial year ended 31 December 2008, the aggregate compensation (base salary, bonus and long-term incentives) paid to all members of the Executive Committee (excluding the chairman) was €6,812,290 (excluding pension contributions and other benefits).

Other than the service contract for the chief executive officer of the Issuer and chairman of the Executive Committee, Roch Doliveux, no members of the administrative, management or supervisory bodies' have entered into service contracts with any affiliates of the UCB Group providing for benefits, in addition or in excess of the statutory benefits, upon termination of employment. The service contract for the chief executive officer of UCB and chairman of the Executive Committee, Roch Doliveux, provides that in case of termination, he will be eligible to a lump sum equal to 24 months of actual base compensation increased by the actual average variable compensation relating to the three previous years. In case of termination due to change of control, the lump sum will equal to 36 months. UCB has implemented directors' and officers' insurance coverage.

5. STOCK OPTION AND STOCK AWARD PLANS

The UCB Group operates several equity-based compensation plans, including a share option plan, a share appreciation rights plan, a share award plan and a performance share plan to compensate employees for services rendered. The share option plan, the share award plan and the performance share plan are equity-settled, whereas the share appreciation rights plan is a cash-settled plan. Besides these plans, UCB Group also operates employee share purchase plans in the UK and the U.S.

(a) Share option plans and share appreciation rights plan

The Remuneration and Nomination Committee granted options on Ordinary Shares to the Executive Committee members, the senior executives and the senior and middle management of UCB Group. The exercise price of the granted options under these plans is equal to the lowest of the following two values:

- the average of the closing price of the Ordinary Shares on NYSE Euronext, Brussels, during the 30 days preceding the offer; or

[4] Expenses for payments to external employee pension funds by UCB and the members of the Executive Committee entitled to retirement benefits

- the closing price of the Ordinary Shares on NYSE Euronext, Brussels the day before the grant.

A different exercise price is determined for those eligible employees subject to legislation which requires a different exercise price in order to benefit from reduced taxation. The options become exercisable after a vesting period of three years, except for those eligible employees subject to legislation which requires a longer vesting period in order to benefit from reduced taxation. If an employee leaves UCB Group, his/her options usually lapse upon expiry of a period of six months. Options are acquired in case of death or retirement and in case of involuntary termination when taxes have been paid upon grant. UCB Group has no obligation to repurchase or settle the options in cash. There are no reload features, and the options are not transferable (except in case of death).

The share appreciation rights ("**SARs**") plan has similar characteristics to the share option plan, except that it is reserved for UCB employees in the U.S. This plan is cash-settled. All share options granted to U.S. option holders in 2005 and 2006 were transformed into SARs, except for three employees. Since 2007 all eligible U.S. employees have been granted SARs.

(b) Share award plan

The Remuneration and Nomination Committee granted free Ordinary Shares (the "**Free Shares**") to members of the leadership team with a grade 12 or above. The Free Shares have service conditions attached to them whereby beneficiaries are required to remain in service for three years post grant date. Share awards lapse upon leaving UCB Group, except upon leaving on retirement or death in which case they vest immediately. The beneficiary is not entitled to dividends during the vesting period.

(c) Performance share plan

The Remuneration and Nomination Committee granted performance shares (the "**Performance Shares**") to members of the leadership team with a grade 12 or above who achieved an outstanding performance. The performance shares are conditional on the beneficiary completing the Vesting Period and are also subject to the fulfillment of certain performance conditions. Performance Shares lapse upon leaving UCB Group, except upon leaving on retirement or death in which case they vest immediately. The beneficiary is not entitled to dividends during the Vesting Period.

(d) Phantom share option, share award and performance share plans

UCB Group also has phantom share option, phantom share award and phantom performance share plans (collectively referred to as the "**Phantom Plans**"). These Phantom Plans apply to certain members of the leadership team who have an employment contract with certain affiliates of UCB Group and are governed under similar rules to the UCB Group share option, share award and performance share plans except for their settlement. The share-based payment expense incurred for these plans is immaterial.

(e) Employee share purchase plans in the U.S.

This plan is intended to provide employees of UCB affiliates in the U.S. with an opportunity to purchase Ordinary Shares. Ordinary Shares are acquired at a discount of 15 per cent. which is funded by UCB. Employees save a certain portion of their salary through payroll deduction and shares will be purchased with after-tax employee savings. The Ordinary Shares are held by an independent third party banking institution in an account in the employee's name.

The limit placed on employees' participation in the plan is as follows:

- between 1 per cent. and 10 per cent. of each participant's compensation;
- US$25,000 per annum per participant; and
- maximum of US$ 5 million total ownership by U.S. employees in all forms of share plans over a rolling period of 12 months.

As of 31 December 2008, the plan had 544 participants (2007: 621). There are no specific vesting conditions and the share-based payment expense incurred for this plan is immaterial.

(f) Share savings plan in the UK

The purpose of this plan is to encourage the holding of Ordinary Shares by employees in the UK. Participants save a certain portion of their salary through payroll deductions and UCB matches every five Ordinary Shares bought by each participant with one free Ordinary Shares. Ordinary Shares are held in an account in the employee's name by an independent company that acts as a trustee.

Employee contributions to the plan are limited to the lower of: 10 per cent. of each participant's compensation or £1,500 per annum per participant. As of 31 December 2008, the plan had 119 participants (2007: 105) and the share-based payment expense incurred for this plan is immaterial.

(g) Share-based payment expense

The total share-based payment expense incurred for the UCB Group equity-based compensation plans amounted to €14 million in 2008 (2007: €10 million).

For a full description of each of the share option plans, the share appreciation rights plan, the share award plans, the performance share plans, and the options granted in November 2002 which remain outstanding, please refer to page 64 of the 2008 Annual Report, which is incorporated by reference in this Prospectus.

PART VIII. PRINCIPAL SHAREHOLDERS

As at the date of this Prospectus, the share capital of the Issuer amounted to €550,095,156 and consisted of 183,365,052 Ordinary Shares of no-par value. The Ordinary Shares are listed on Eurolist by NYSE Euronext, Brussels. They have been fully paid up. A4 – 14.1 A4 – 14.1.1 A4 – 12.1

In accordance with the notifications made in compliance with the law of 2 May 2007, the present major shareholders of the Issuer are, as at the date of this Prospectus:

		Current	Voting Rights (per cent.)	Date of latest declaration in compliance with the law of 2 March 1989
	Capital (€)	**550,095,156**		
	Ordinary Shares	**183,365,052**		
1.	Financière de Tubize S.A.	66,370,000	36.20	1 September 2008
2.	UCB Fipar S.A.	3,175,478	1.73	1 September 2008
3.	UCB SCA	12,000	0.01	1 September 2008
4.	Schwarz Vermögensverwaltung GmbH	9,885,618	5.39	1 September 2008
5.	KBC Bank N.V.	2,289,318	1.25	1 September 2008
6.	Banque Degroof S.A.	669,230	0.36	1 September 2008
	through Degroof Corporate Finance S.A.	450,000		
	through Imofig S.A.	219,230		
7.	Levimmo S.A.	1,230,770	0.67	1 September 2008
8.	Compar Finance S.A.[1]	1,900,000	1.04	1 September 2008
9.	Pharmahold S.A.[2]	1,900,000	1.04	1 September 2008
10.	Cosylva S.A.[3]	1,900,000	1.04	1 September 2008
11.	Financière de Tubize S.A. and linked companies and concert 4-10[4]	89,332,414	48.73	1 September 2008
12.	Capital Research and Management Company (voting interests) which include the UCB shares held by Euro Pacific Growth Fund which exceed 3 per cent. of UCB share capital	21,717,895	11.84	30 October 2008

[1] Compar Finance S.A. holds additionally 165,830 UCB shares outside the concert

[2] Pharmahold S.A. holds additionally 1,100,000 UCB shares outside the concert

[3] Cosylva S.A. holds additionally 1,100,000 UCB shares outside the concert

[4] Financière de Tubize S.A. has declared acting in concert separately with each of the shareholders 4, 5, 6, 7, 8, 9, 10 for the number of shares as indicated

None of the shareholders mentioned above, nor any other shareholders of the Issuer, have any special rights or privileges other than those conferred by the Ordinary Shares held by them.

Under a shareholders' agreement entered into on 24 September 2006 between Financière de Tubize S.A. and the Schwarz Family Holding (the "Shareholders' Agreement"), the Schwarz Family Holding and Financière de Tubize S.A. have agreed, subject to certain conditions and limitations, that prior to each General Meeting they shall meet and consult with each other during a pre-meeting with respect to the agenda of the General Meeting and the proposed decisions. The Schwarz Family Holding and Financière de Tubize S.A. will try to reach a consensus with regard to each item of the agenda on how to exercise their voting rights at the respective General Meeting. In case such consensus cannot be reached, Financière de Tubize S.A. shall have a casting vote. At the relevant General Meeting, the Schwarz Family Holding and Financière de Tubize S.A. shall cast their votes in accordance with the decisions taken at the pre-meeting. These voting arrangements do not apply to certain specific decisions.

Subject to certain conditions and limitations, the Schwarz Family Holding is entitled, however, to transfer the UCB shares in its possession at any time if: (i) the shareholding of Financière de Tubize S.A. in the Issuer falls bellow 33 per cent.; (ii) the shareholding of the Janssen Family in Financière de Tubize S.A. falls bellow 50 per cent.; or (iii) if Financière de Tubize S.A. or the Janssen Family decides to tender any of their shares in the Issuer or Financière de Tubize S.A., respectively, in a public takeover bid for the Issuer or Financière de Tubize S.A..

UCB is not aware of any other voting agreements among the shareholders mentioned above.

PART IX: RELATED PARTY TRANSACTIONS

During the financial years ending on 31 December 2008 and 31 December 2007 respectively all intra-UCB Group transactions were carried out based on assessments of mutual economic benefit to the parties involved, and the applicable conditions were established in accordance with the criteria of at arm's-length negotiations and fair dealing, and with a view to creating value for the entire UCB Group. Conditions governing the intra-UCB Group transactions were similar to conditions governing third party transactions.

With regard to the sale of intermediary and finished products, these criteria were accompanied by the principle of increasing each party's respective production cost by an at arm's length profit margin. With regard to intra-UCB Group services rendered, these criteria are accompanied by the principle of charging fees sufficient to cover each parties' respective incurred costs and at an arm's length mark-up. Intra-group transactions carried out within the UCB Group constitute standard transactions for a biopharmaceutical group. These transactions include the purchase and sale of intermediary and finished medical products, deposits and loans for UCB Group affiliates as well as centralised functions and activities carried out by the UCB Group in order to optimise operations through economies of scale and scope.

Other than the Defensive Warrants, as described in Part XI, there are no financial transactions with related parties other than affiliates of the Issuer.

PART X: ASSOCIATED COMPANIES AND SHAREHOLDINGS

UCB is currently the parent company, directly or indirectly, of the following Belgian and foreign companies.

Company name	Registered office	Percentage Voting rights at shareholders' meeting
Celltech Group Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Celltech Insurance Ltd.	4th fl St. James House 25-29 Adelaide Road, Dublin 2, Ireland	100
Celltech Japan Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Celltech Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Celltech Manufacturing CA, Inc.	3130 South Harbor Blvd, 92704 Sta Anna California, U.S.A.	100
Celltech Pharma Beteiligungs GmbH	Bamlerstrasse 1B, 45141 Essen, Germany	100
Celltech Pharma Europe Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Celltech Pharma GmbH & Co Kg	Bamlerstrasse 1B, 45141 Essen, Germany	100
Celltech Pharma Ireland	United Drug House Belgard Road, Tallaght, Dublin 24, Ireland	100
Celltech Reinsurance Ltd.	4th fl St. James House 25-29 Adelaide Road, Dublin 2, Ireland	100
Celltech Research & Development Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Celltech US LLC	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
Chiroscience Group Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Chiroscience Research & Development Ltd .	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
Cistron Biotechnology Inc.	10 Bloomfield Ave Pine Brook, 07058 New Jersey, U.S.A.	100
Cogefina S.A.	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100
Confirmant Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
CPM Properties Inc	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
Darwin Discovery Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Doutors Réassurance S.A.	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100
Evans Healthcare	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Fin. UCB S.A.	Allée de la Recherche 60, 1070 Brussels, Belgium	100
Fipar	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Fipar UK Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Fipar US Inc.	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
Ilika Epikalipseon Helias EPE (in liquidation)	39-42 Grigoriou Lambraki and Ulof Palme, Str 2, 14123 Likovrissi Attika, Greece	100
International Medication Systems (UK) Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Korea UCB Co., Ltd	5F Buwoon B/D 807/2 Bangbaedong Seochogu, 13760 Seoul, Korea	100
Kremers Urban Development Company	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
Kremers Urban LLC	103 Foulk Road #254, Wilmington, Delaware 19803, USA	100
KUdCo Ireland Ltd	Shannon Industrial Estate, Shannon, County Clare, Ireland	100
Medeva B.V. (Nederland)	Lage Mosten 33, 4822 NK Breda, The Netherlands	100
Medeva Holdings B.V.	Lage Mosten 33, 4822 NK Breda, The Netherlands	100
Medeva International Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Medeva Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Medeva Pharma Schweiz A.G	Gestadeckplatz 2, 4410 Liestal, Switzerland	100
Medo Pharmaceuticals Ltd	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Melusin Ilac ve Maddeleri Pazarlama TLS	Rüzgarilibaçe, Cumhurriyet Caddesi Gerçekler Sitesi B Blok Kat:6 Kavacik/Beykoz, Istanbul, Turkey	100
Oxford Glycosciences	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Oxford GlycoSciences (UK) Ltd	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Oxford Glyco Therapeutics Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Sanol GmbH	Alfred Nobel Strasse, 10, Monheim am Rhein, 40789, Germany	100
Sanol Medicinall Srl	Via Gadames 57, Milano, 20100, Lombardia, Italy	100
Schwarz & Co Immobiliengesellschaft Zwickau beschränkt haftende C	Galileistrasse 6, Zwickau 8056, Germany	100
Schwarz & Co Immobiliengesellschaft Zwickau beschränkt haffe	Galileistrasse 6, Zwickau 8056, Germany	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
Schwarz Biosciences GmbH	Alfred Nobel Strasse, 10, Monheim am Rhein, 40789, Germany	100
Schwarz Biosciences Inc	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
Schwarz Pharma AG	Alfred Nobel Strasse, 10, Monheim am Rhein, 40789, Germany	100
Schwarz Pharma ApS	Gydevang 39-41, Âllerod, 3450, Denmark	100
Schwarz Pharma Commercial Ol	Avenida da Praia Grande n° 762-804, China Plaza 18 Andar J-2, Macau, China	100
Schwarz Pharma Deutschland GmbH	Alfred Nobel Strasse, 10, Monheim am Rhein, 40789, Germany	100
Schwarz Pharma Employee Nominee Ltd	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Schwarz Pharma (H.K.) Ltd.	Unit 515, 5/F South Tower, World Finance Center The Gateway, Harbour City, Hong Kong, China	100
Schwarz Pharma Korea Cp. Ltd	1674-1, Seocho-dong, Seoul, 137-881, Seoch-Gu, South Korea	100
Schwarz Pharma Inc	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
Schwarz Pharma LLC	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
Schwarz Pharma Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Schwarz Pharma Ltd (Ireland)	Shannon Industrial Estate, Shannon, County Clare, Ireland	100
Schwarz Pharma Manufacturing Inc	251 E. Ohio Street, suite 1100, Indianapolis, Indiana 46204, USA	100
Schwarz Pharma OOO	Kantemirovskaja 58, Moscow 115477, Russia	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
Schwarz Pharma Produktions GmbH	Alfred Nobel Strasse, 10, Monheim am Rhein, 40789, Germany	100
Schwarz Pharmaceuticals Ltd	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Sifar S.A.	Allée de la Recherche 60, 1070 Brussels, Belgium	100
Société Financière UCB Holding S.A.	40 Blvd Joseph II, 1840 Luxembourg, Luxembourg	100
SRZ Properties Inc.	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
UCB A.E.	580 Vouliagmenis Avenue, 16452 Argyroupolis Athens, Greece	100
UCB Actias S.A. (In liquidation)	Allée de la Recherche 60, 1070 Brussels, Belgium	100
UCB Australia Pty. Ltd.	Level 1, 1155 Malvern Road — 3144 Malvern, Victoria, Australia	100
UCB Belgium S.A.	Allée de la Recherche 60, 1070 Brussels, Belgium	100
UCB Bulgaria EOOD	15, Lyubata Str., Fl. 4 apt. 10-11, Lozenetz, Sofia, 1407 Bulgaria	100
UCB de Mexico S.A. de C.V .	Homero#440 7fl Col. Chapultepec Morales, 11570 Mexico D.F., Mexico	100
UCB Farchim S.A.	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100
UCB Finance N.V.	Lage Mosten 33, 4822 NK Breda, The Netherlands	100
UCB Fipar Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
UCB Fipar S.A.	Allée de la Recherche 60, 1070 Brussels, Belgium	100
UCB France S.A.	21 Rue de Neuilly, 92003 Nanterre, France	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
UCB GmbH	Hüttenstrasse 205 PF 1340, 50170 Kerpen-Sindorf, Germany	100
UCB Holdings do Brasil Ltda	Rua Sao Joaquim, 249 sala 13 Bairrio Liberdade, Sao Paolo 01508-001, Brazil	100
UCB Holdings Inc.	2000 Lake Park Drive, 30080 Smyrna Georgia, U.S.A.	100
UCB Hungary Ltd.	Huvösvölgyi U. 54 Bldg II, 1021 Budapest, Hungary	100
UCB Inc	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
UCB India Private Ltd.	504 Peninsula Towers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, 400013 Mumbai, India	100
UCB Investissements S.A.	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100
UCB (Investments) Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
UCB Ireland	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
UCB Japan Co., Ltd.	Ochanomizu Kyoun Bldg 2-2, Kanda-Surugadai, 101-0062 Chiyoda-Ku, Japan	100
UCB Lux S.A.	30 Blvd Joseph II, 1840 Luxembourg, Luxembourg	100
UCB Manufacturing Inc	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
UCB Pharco Inc.	300 Delaware Avenue Suite 1297, 19801 Wilmington Delaware, U.S.A.	100
UCB Pharma AB	Murmansgatan 126, 21225 Malmo, Sweden	100
UCB Pharma A.G.	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100.
UCB Nordic AS	Arme Jacobsen Alle 15, 2300 Copenhagen, Denmark	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
UCB Pharma AS	Cemil Topuzlu Cad Is Bankasi Bloklari D Blok, Kat 4 Daire 7, Fenerbahce, 81030 Istanbul, Turkey	100
UCB Pharma A.S.	Brynsveien 96, 1352 Kolsas Baerum, Norway	100
UCB Pharma A.S. (Norway)	Grini Naeringspark, 8b, Osteras 1361, Baerum, Norway	100
UCB Pharma B.V. (Nederland)	Lage Mosten 33, 4822 NK Breda, The Netherlands	100
UCB Pharma Canada Inc	4145 North Service Road 200, Burlington, ONL7L 6A3, Canada	100
UCB Pharma GmbH	Brünnerstrasse 73/5, 1210 Wien, Austria	100
UCB (Pharma) Ireland Ltd.	United Drug House Magna Drive, Magna Business Park, City West Road, Dublin 24, Ireland	100
UCB Pharma LLC (Russia)	5 Shturvalnaya str. Bldg 1, Moscow 125364, Russia	100
UCB Pharma Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
UCB Pharma OY (Finland)	Melminkaari 5, 00700 Helsinki, Finland	100
UCB Pharma (Produtos Farmaceuticos) Lda	Rua Gregorio Lopes, Lote 1597-1°, 1400-195 Lisboa, Portugal	100
UCB Pharma Romania S.R.L.	37 Paris Street, Bucharest 11814, Romania	100
UCB Pharma S.A.	Avenida de Barcelona 239, 08750 Molins de Rei Barcelona, Spain	100
UCB Pharma SA (Belgium)	Route de Lennik 437, 1070 Brussels, Belgium	100
UCB Pharma S.A. (France)	21 Rue de Neuilly, 92003 Nanterre, France	100
UCB Pharma SpA	Via Praglia 15, 10044 Pianezzo TO, Italy	100
UCB Pharma Sp.zo.o. (Poland)	Ul. Przyokopowa 43, 01-208 Warszawa, Poland	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
UCB Pharma S.R.O. (Czech Republic)	Budova Raiffeisen Stavebni Sporitelny, Konenvova 99, 13000 Praha, Czech Republic	100
UCB Research Inc.	1950 Lake Park Drive, 30080 Atlanta Georgia, U.S.A.	100
UCB S.C.A.	Rue Eugène Rupert, 12, Luxembourg, 2453, Luxembourg	100
UCB Services Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
UCB SP GmbH	Alfred Nobel Strasse, 10, Monheim am Rhein, 40789, Germany	100
UCB T&R Graham Ltd.	c/o HLB Breckenridge House 274 Sauchiehall Street, Glasgow, G2 3EH U.K.	100
UCB Technologies Inc	C T Corporation System 111 Eight Ave, New York, 10011 New York, USA	100
UCB Trading (Shanghai) Co. Ltd.	Suite 2802 Raffles City Shanghai Office Tower, 268 Tibet Road Central, Shanghai, 200001, China	100
UCB Watford Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Uni Mediflex Private Ltd.	G-6 Venus Apartments RG Thandani Marg Worli, 400018 Mumbai, India	100
Upstate Pharma LLC	755 Jefferson Road, 14623 Rochester New York, U.S.A.	100
Vedim Pharma GmbH	Hüttenstrasse 205 PF 1340, 50170 Kerpen-Sindorf, Germany	100
Vedim Sp.zo.o.	Ul. Przyokopowa 43, 01-208 Warszawa, Poland	100
Vedim Pharma S.A.	Avenida de Barcelona 239, 08750 Molins de Rei Barcelona, Spain	100
Vedim S.A. de CV	Homero#440 7fl Col. Chapultepec Morales, 11570 Mexico D.F., Mexico	100
Vedim Pharma (Prod. Quimicos e Farma) Lda	Rua Carlos Calisto 4B, 1400-043 Lisboa, Portugal	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
Vedim Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Viking Trading Co. Ltd.	208 Bath Road, Slough, Berkshire, S14 3WE U.K.	100
Zhuhai Schwarz Pharma Company Ltd	Block A. Changsa Industrial Zone. Qianshan District, Zhuhai, Guangdong Province, 519070 China	75

PART XI: DESCRIPTION OF THE SHARES AND ARTICLES OF ASSOCIATION

1. FORMATION, LEGAL AND COMMERCIAL NAME, FINANCIAL YEAR

UCB's legal predecessor, Societe Industrielle de la Cellulose, was founded on 19 May 1925. As part of a merger the name of the company changed to Union Chimique-Chemische Bedrijven on 27 November 1961, and changed again to UCB S.A. on 15 December 1970. UCB is currently registered as a public limited liability company organised under Belgian law (société anonyme/naamloze vennootschap) registered in the Belgian Crossroads Bank for Enterprises under 0403 053 608. The registered offices of UCB S.A. are located at 60 Allée de la Recherche, 1070 Brussels, Belgium. UCB's legal name is "UCB S.A.". UCB's principal place of business is at 60 Allée de la Recherche, 1070 Brussels, Belgium, telephone number +32 2 559 9264 (Investor Relations). The duration of UCB, as set forth in article 4 of the Articles, is unlimited. A4 – 14.2.1 A4 – 5.1.1 A4 – 5.1.2 A4 – 5.1.3 A4 – 5.1.4 A4 – 14.2

UCB's financial year corresponds to the calendar year. Following the end of each financial year, the Board approves the draft of the financial statements to be submitted for approval to the ordinary General Meeting. The ordinary General Meeting is to be held each year on the last Thursday of April.

2. CORPORATE PURPOSE

According to article 3 of the Articles, the purpose of the company is to hold and manage direct or indirect shareholdings in other companies having a purpose directly or indirectly related to research, development, industrial or commercial activities, focused mainly but not exclusively on the pharmaceutical industry. The company can provide support services for third parties, in particular for companies in which the company has a direct or indirect interest. More generally it can undertake any commercial, industrial, financial, property, or real estate operations both in Belgium and elsewhere, which may be directly or indirectly related to the above purposes, including, without being limited to, the financing of the companies in which it has an interest by way of loans, guarantees, grants of securities or in any other manner. A4 – 14.2.1

3. SHARE CAPITAL AND SHARES

At the time of publication of this Prospectus, the share capital of the Issuer amounted to €550,095,156 divided into 183,365,052 Ordinary Shares. The Ordinary Shares do not have a nominal value. The Ordinary Shares are admitted for listing and trading on Eurolist by Euronext Brussels.

For information on the Issuer's authority to issue the Bonds, see Part XV, "*General Information*".

4. FORM AND TRANSFERABILITY OF THE ORDINARY SHARES

The Ordinary Shares can take the form of registered shares or dematerialised shares. All Ordinary Shares are fully paid-up and freely transferable.

5. CURRENCY

Ordinary Shares do not have a nominal value, but reflect the same fraction of UCB's share capital, which is denominated in euro.

6. VOTING RIGHTS ATTACHED TO THE ORDINARY SHARES

Each shareholder in UCB is entitled to one vote per Ordinary Share. Shareholders may vote by proxy, subject to the rules described below in Part 10.7, "*General Meetings"*.

Voting rights can be suspended in relation to Ordinary Shares:

- which are not fully paid up, notwithstanding the request thereto of the Board;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3 per cent., 5 per cent., 7.5 per cent., 10 per cent., 15 per cent., 20 per cent. and any further multiple of 5 per cent. of the total number of voting rights attached to the outstanding financial instruments of the Issuer on the date of the relevant shareholders' meeting, in the event that the relevant shareholder has not notified the Issuer and the CBFA at least 20 days prior to the date of the shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court or the CBFA.

Pursuant to the Belgian Companies Code, the voting rights attached to Ordinary Shares owned by UCB and/or its affiliates are suspended.

Generally, the General Meeting has sole authority with respect to:

- the approval of the annual accounts of the Issuer;
- the appointment and dismissal of Directors and the statutory auditor of the Issuer;
- the granting of release from liability to the Directors and the statutory auditor;
- the determination of the remuneration of the Directors and of the statutory auditor for the exercise of their mandate;
- the decisions relating to the dissolution, merger and certain other re-organisations of the the Issuer; and
- the approval of amendments to the Articles.

The General Meeting also has authority with respect to:

- the distribution of profits; and
- the filing of a claim for liability against Directors.

7. GENERAL MEETINGS

According to article 32 of the Articles, an ordinary General Meeting shall be held every year, on the last Thursday in April, at 11:00 a.m. If the last Thursday in April is a holiday, the ordinary General Meeting will take place on the first working day thereafter at 11:00 a.m.

A special or an extraordinary General Meeting can also be convened at any time if required by the interests of the Issuer. A General Meeting must also be convened when requested by shareholders representing at least one-fifth of the Ordinary Shares.

All General Meetings, whether ordinary, special or extraordinary, shall be held at the Issuer's registered office or any other place mentioned in the convening notice and shall be convened by a notice from the Board or the auditor(s). The notice of a General Meeting shall contain its agenda, indicating the subjects to be dealt with and the proposed resolutions. Such notice shall be given by announcements, at least 24 days before the General Meetings, in both the Belgian Official Gazette ("*Moniteur Belge"/"Belgisch Staatsblad*") and a Belgian newspaper.

In the event that it is necessary to issue a further notice because the attendance quorum is not obtained at the date initially scheduled for the General Meeting and provided that the date of the second meeting has been indicated in the first notice of meeting, the announcements relating to a second meeting must be made at least 17 days before such meeting.

Registered shareholders, registered holders or owners of subscription rights, holders of registered certificates issued by the Issuer, Directors and auditors shall be notified by letter 15 days before the General Meeting. Such letters shall be sent by ordinary post unless addressees agree individually, expressly and in writing to have notices sent to them by other means.

Registered shareholders shall be admitted to the General Meeting if they have been registered for at least five clear days before the date of that meeting. Holders of dematerialised shares and, as long as bearer shares still exist, holders of bearer shares, must deposit the certificates established by a bank or a registered financial operator, or deposit the bearer shares at one of the places designated in the notice at least five clear days before the meeting.

Any shareholder can be represented at the General Meeting by a proxy who is entitled to vote. Legal entities, such as companies, can be represented by a proxy who is not a shareholder. Either spouse can be represented by the other. Minors and legally incapable persons can be represented by their tutors or guardians.

The Board can determine the form of proxies, which must be lodged at the registered office at least three clear days before the date of the General Meeting; subject to a unanimous and general decision, the bureau of the General Meeting (constituted by two scrutineers chosen by the chairman of the General Meeting from amongst the shareholders present, together with the Directors present) can waive the deadline set for filing proxies.

The General Meeting shall be chaired by the chairman of the Board or, in case of absence of the chairman of the Board, by a deputy chairman of the Board, or, should none of them be able to attend the meeting, by another Director. The chairman of the General Meeting shall appoint the secretary, who does not have to be a shareholder.

Each Ordinary Share gives the right to one vote. Unless otherwise provided in the BCC, the decisions of the General Meeting are taken by majority vote regardless of the number of Ordinary Shares present or represented. Decisions requiring a majority vote of more than 50 per cent. of the votes cast include, amongst others:

- amendments to the Articles other than mentioned below (75 per cent. of the votes cast at a meeting with an attendance quorum of 50 per cent. of the share capital, if such quorum is not met, a second meeting with the same agenda can decide regardless of what the attendance quorum is); and
- amendments of the Issuer's corporate purpose under the Articles, the decision to acquire (or to be granted a pledge on) the Issuer's own shares or profit shares, for other purposes than distribution to its personnel, the decision to grant financial assistance (80 per cent. of the votes cast at a meeting with an attendance quorum of 50 per cent. of the share capital).

8. CHANGES IN UCB'S SHARE CAPITAL

Pursuant to the BCC and the Articles, the Issuer may increase or decrease its share capital upon the approval of 75 per cent. of the votes cast at a General Meeting where at least 50 per cent. of the share capital is present or represented. In case of a capital increase in cash, the existing shareholders have, in principle, a preferential subscription right. The General Meeting may, however, restrict or cancel such preferential subscription rights, according to the same quorum and voting requirements. At the date hereof, the Board has no authorisation to proceed with any capital increase (within the framework of the authorised capital or otherwise) without the intervention of the General Meeting. Any reduction in capital similarly requires the same method of approval by shareholders in a General Meeting.

9. SHARE CAPITAL CONDITIONAL UPON THE EXERCISE OF STOCK OPTIONS

On 24 April 2008, the General Meeting resolved to issue a stock loan represented by 30,000 loan stock units with a nominal value of €20 each, each having 1,000 defensive warrants (the "Defensive Warrants") attached to it. Each Defensive Warrant confers the right to its holder to subscribe to one Ordinary Share newly issued by UCB. The loan was subscribed for by Financière de Tubize S.A.. The exercise of all Defensive Warrants (which is limited to circumstances under which, according to the Board, the stability of the shareholder structure of UCB and its corporate interest is threatened), would lead to the issue of 30,000,000 new Ordinary Shares in UCB, the transfer of which is subject to the control of the Board. The new Ordinary Shares in the Issuer resulting from the possible exercise of the Defensive Warrants would be issued by reference to the market price over a period prior to their issue.

For information on options and subscription rights granted to employees of the UCB Group, see Part VII "*Management and Corporate Governance*".

10. AUTHORISED CAPITAL

UCB does not have any authorised capital.

11. OTHER SECURITIES

Under UCB's Articles, the Issuer can issue cash vouchers or bonds, and mortgage bonds, by a decision of the Board, which shall determine the type, the rate of interest and issue, the method and the time of redemption and reimbursement of such bonds, and all other conditions of their issue.

UCB can issue either convertible loan stock or rights of subscription, attached or non-attached to other shares, within the conditions fixed by the BCC.

12. SHAREHOLDING NOTIFICATION REQUIREMENTS

The Belgian law of 2 May 2007 on the disclosure of major shareholdings imposes disclosure requirements on any individual or entity acquiring or transferring voting securities, voting rights or assimilated financial instruments, as soon as the total number of voting rights directly or indirectly held by such individual or entity, alone or in concert with others, increases above or falls below a threshold of 5 per cent., or any multiple of 5 per cent., of the total number of voting rights attached to the securities issued by the Issuer. A disclosure must be made as soon as possible and at the latest within four trading days. Likewise, disclosure is required in case of a passive crossing of the thresholds, and in case of entering or terminating an agreement for concerted action. Disclosure must be made to the CBFA and to the Issuer.

In addition, pursuant to article 38 of the Articles, such disclosure is also required for any person or entity acquiring or subscribing to beneficial ownership in Ordinary Shares conferring a right to vote, whether registered or not, in the capital of the Issuer, when the number of Ordinary Shares purchased or subscribed for, together with the total number of Ordinary Shares held, exceeds a proportion of 3 per cent. of the total voting rights exercisable, before any possible reduction, at a General Meeting. The same procedure will have to be followed each time that the person obliged to make the initial declaration mentioned above increases his voting strength up to 5 per cent., 7.5 per cent., 10 per cent. and subsequently for each additional 5 per cent. of the total voting rights acquired as defined above or when, following the sale of Ordinary Shares, his voting rights fall below one of the limits specified above.

Violations of the disclosure requirements may result in the suspension of voting rights, the suspension of a General Meeting already convened, a court order to sell the Ordinary Shares to a third party, and/or criminal liability.

13. CONVERTIBLE SECURITIES

On 30 September 2009, the Issuer successfully completed the offering of EUR 500 million senior unsecured convertible bonds due 2015 (taking into account the exercise of the EUR 50 million over-allotment option). The bonds have been issued on 22 October 2009.

The bonds were placed through an accelerated book building placement with institutional investors.

The bonds have been issued and will be redeemed at 100 per cent of their principal amount and have a coupon of 4.5 per cent per annum, payable semi-annually in arrear , and unless previously converted, repurchased or redeemed will mature on the 6th anniversary of their issue, in 2015. The initial conversion price is EUR 38.746 per share and is set at a premium of 35 per cent to the volume-weighted average price of the Company's shares on Euronext Brussels from launch to pricing. If all of the Bonds

were to be converted into new shares at the initial conversion price, 11,614,102 new shares would be issued, representing a dilution of 6.0 per cent of the Company's share capital, before any exercise of the over-allotment option referred to above.

Other than the convertible bonds described above and the warrants and options described under Part VII "*Management and Corporate Governance*" and under Section 9 "*Share Capital Conditional Upon the Exercise of Stock Options*" of this Part XI, the Issuer has no securities convertible into Ordinary Shares outstanding.

14. TREASURY SHARES HELD BY UCB

Under Belgian company law, the Issuer is not allowed to acquire its own shares without prior authorisation of the General Meeting. The resolution of the General Meeting is subject to a majority of 80 per cent. of the votes cast at a meeting with an attendance quorum of at least 50 per cent. of the share capital of the Issuer. UCB together with its subsidiaries are not allowed to acquire more than 20 per cent. of its share capital.

At the time of the publication of the Prospectus, UCB did not hold any Ordinary Shares directly.

UCB Fipar S.A., an affiliate indirectly controlled by the Issuer, acquired 746,800 Ordinary Shares in 2002, 372,904 Ordinary Shares in 2003, 1,064,200 Ordinary Shares in 2004, 370,000 Ordinary Shares in 2005 and 950,000 Ordinary Shares in 2006. As of 31 December 2008, UCB Fipar S.A. held a total of 3,175,264 Ordinary Shares representing 1.73 per cent. of the total number of Ordinary Shares.

UCB S.C.A., an affiliate indirectly controlled by the Issuer, acquired 61,200 Ordinary Shares in 2007 and 50,384 Ordinary Shares in 2008. As of 31 December 2008, UCB S.C.A. held a total of 12,000 Ordinary Shares representing 0.01 per cent. of the total number of Ordinary Shares.

The Ordinary Shares were acquired by UCB Fipar S.A. and UCB S.C.A. in order to cover the exercise of stock options granted to persons of the UCB Group holding management functions. For more information on UCB's stock option plans, see Part VII "*Management and Corporate Governance*".

15. OUTSTANDING ACQUISITION RIGHTS AND UNDERTAKINGS TO INCREASE CAPITAL

UCB does not have any acquisition rights and/or obligations and did not undertake to increase the capital.

16. DIVIDEND POLICY OF UCB

All shares carry an equal right to dividends. UCB may pay dividends only with the prior approval of the General Meeting. The Board can, however, at its own risk and on the basis of a statement of the assets and liabilities of UCB, drawn up not more than two months beforehand, which has been verified by the auditor(s), decide to pay interim dividends to be deducted from the profits of the current financial year, where relevant reduced with the loss carried forward or increased by the profit carried forward.

The Board can also determine when such distributions will be paid. This decision of the Board of Directors cannot be taken less than six months after the closure of the preceding financial year, nor before approval of the accounts for that year. When one interim dividend has been paid, a decision to distribute another interim dividend cannot be taken less than three months after the decision to distribute the first dividend.

The payments of dividends approved by the General Meeting are made at the times and places fixed by the Board. Usually the payments take place a few days after the approval of the annual financial statements by the ordinary General Meeting to be held on the last Thursday in April of each year according to the Articles. Holders of Ordinary Shares receive their dividend payments through their custodian banks.

In accordance with Belgian law, the right to collect dividends declared on shares expires five years after the distribution date, whereupon the Issuer is no longer under an obligation to pay such dividends. If, with respect to bearer shares, the Issuer decides to enforce the expiration of the five-year term, the amounts not distributed must be made available in accordance with the provisions of Belgian law and, ultimately, will accrue to the Belgian State.

The Board intends to continue to sustain a dynamic dividend policy, consistent with the long term growth prospects of the Company, offering gradual increase in dividend, and as far as possible not to reduce it, irrespective of the short term income variations.

17. RIGHTS REGARDING LIQUIDATION

The General Meeting can decide to wind up the company at any time, provided that there is an attendance quorum of 50 per cent. of the share capital, and that 75 per cent. of the votes cast approve the decision.

If, due to losses, the net assets are reduced to an amount less than one-half of the capital of the company, the General Meeting shall be convened within at least two months of the date of the losses becoming known or of the time at which they should have become known, in order to consider the possible winding up of the company or other measures set out in the agenda, as the case may be.

The Board shall justify its proposals in a special report made available to the shareholders, as the law requires. If the net assets are reduced to an amount less than one-quarter of the capital, the winding up can be decided by one-quarter of the votes cast at the General Meeting.

If the net assets are reduced to less than the legal minimum, any interested party can apply for the winding-up of the company at the Commercial Court having jurisdiction; the Court can give the company a period of time to put the situation in order.

PART XII: USE OF PROCEEDS

The net proceeds of the issue of the Bonds, expected to amount to approximately EUR 149,720,000 for a nominal amount of EUR 150,000,000 (subject to increase), will be used for the general corporate purpose and form part of a funding diversification policy being implemented by the Board. A5 - 3.2

The expenses in connection with the transaction are described under Section 3 of the Part XIV "Subscription and Sale" below.

PART XIII: TAXATION

A5 - 4.14

1. BELGIAN TAXATION

The following is a general description of the principal Belgian tax consequences for investors receiving interest in respect of, or disposing of, the Bonds and is of a general nature. It does not purport to be a complete analysis of tax considerations relating to the Bonds whether in Belgium or elsewhere.

This general description is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date (or with retroactive effect). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Bonds under the laws of their countries of citizenship, residence, ordinary residence or domicile. This description is for general information only and does not purport to be comprehensive.

(a) Belgian Withholding Tax

All payments by or on behalf of the Issuer of interest on the Bonds are in principle subject to the 15 per cent. Belgian withholding tax on the gross amount of the interest. In this regard, ''interest'' means the periodic interest income, any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date) and, in case of a realisation of the Bonds between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Bonds if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the ''**Eligible Investors**'', see hereinafter) in an exempt securities account (an ''**X Account**'') that has been opened with a financial institution that is a direct or indirect participant (a ''**Participant"**) in the X/N Clearing System operated by the National Bank of Belgium (the ''**X/N System**'' and the ''**NBB"**). Euroclear and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

Holding the Bonds through the X/N System enables Eligible Investors to receive the gross interest income on their Bonds and to transfer the Bonds on a gross basis.

Participants to the X/N system must enter the Bonds which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those entities referred to in article 4 of the *Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier* (Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax) which include, inter alia:

(i) Belgian corporations subject to Belgian corporate income tax;

(ii) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in 1° and 3° subject to the application of article 262, 1° and 5° of the Income Tax Code of 1992;

(iii) state regulated institutions (*institutions parastatales / parastatalen*) for social security, or institutions which are assimilated therewith, provided for in article 105, 2° of the Royal Decree implementing the Income Tax Code 1992;

(iv) non-resident investors provided for in article 105, 5° of the same decree;

(v) investment funds, recognised in the framework of pension savings, provided for in article 115 of the same decree;

(vi) tax payers provided for in article 227, 2° of the Income Tax Code 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the same code;

(vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the Income Tax Code 1992;

(viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and

(ix) Belgian resident corporations, not provided for under (i), when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, inter alia, Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (ii) and (iii) above.

Participants to the X/N System must keep the Bonds which they hold on behalf of the non-Eligible Investors in a non-exempt securities account (an ''**N Account**''). In such instance all payments of interest are subject to the 15 per cent. withholding tax. This withholding tax is withheld by the NBB and paid to the Belgian Treasury.

Transfers of Bonds between an X Account and an N Account give rise to certain adjustment payments on account of withholding tax :

- A transfer from an N Account (to an X Account or N Account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- A transfer (from an X Account or N Account) to an N Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Bonds between two X Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X Account for the holding of Bonds, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance. There is no ongoing declaration requirement to the X/N System as to the eligible status, save that they need to inform the Participant of any change in the information contained in the statement of their eligible status. However, Participants are requested to make declarations to the NBB as to the eligible status of each investor from whom they held notes in an X Account during the preceding calendar year.

These identification requirements do not apply to Bonds held in Euroclear or Clearstream, Luxembourg as Participants to the X/N Clearing System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Bonds in such account.

(b) Belgian tax on income and capital gains

Belgian resident individuals

For natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*Personenbelasting / Impôt des personnes physiques*) and who hold the Bonds as a private investment, payment of the 15 per cent. withholding tax fully discharges them from their personal income tax liability with respect to these interest payments (*précompte mobilier libératoire / bevrijdende roerende voorheffing*). This means that they do not have to declare the interest obtained on the Bonds in their personal income tax return, provided withholding tax was levied on these interest payments.

Belgian resident individuals may nevertheless elect to declare the interest in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at the interest withholding tax of 15 per cent. plus communal surcharges (or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is lower). If the interest payment is declared, the withholding tax retained by the NBB may be credited.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or unless the capital gains qualify as interest (as defined in the section ''Belgian Withholding Tax''). Capital losses realised upon the disposal of the Bonds held as non-profesionnal investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

Belgian resident companies

Interest attributed or paid to corporations Bondholders who are Belgian residents for tax purposes, i.e. who are subject to the Belgian Corporate Income Tax (*Vennootschapsbelasting / impôt des sociétés*), as well as capital gains realised upon the sale of the Bonds are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. Capital losses realised upon the sale of the Bonds are in principle tax deductible.

Belgian legal entities

Belgian legal entities subject to the Belgian legal entities tax (*rechtspersonenbelasting / impôt des personnes morales*) which do not qualify as Eligible Investors (as defined in the section ''Belgian Withholding Tax'') are subject to a withholding tax of 15 per cent. on interest payments. The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors (as defined in the section ''Belgian Withholding Tax'') and which consequently have received gross interest income are required to pay the withholding tax themselves.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains qualify as interest (as defined in the section ''Belgian Withholding Tax''). Capital losses are in principle not tax deductible.

Organisations for Financing Pensions

Interest derived by OFP Bondholders on the Bonds and capital gains realised on the Bonds will be exempt from Belgian Corporate Income Tax. Any Belgian withholding tax levied in the interest will be subject to certain conditions fully creditable against any corporate income tax due and any excess amount will in principle be refundable.

Belgian non-residents

Bondholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Bonds through their permanent establishment in Belgium, will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Bonds provided that they qualify as Eligible Investors and that they hold their Bonds in an X Account.

(c) Tax on stock exchange transactions

A stock exchange tax (*Taxe sur les opérations de bourse / Taks op de beursverrichtingen*) will be levied on the purchase and sale in Belgium of the Bonds on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.07 per cent. with a maximum amount of Euro 500 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

However, the tax referred to above will not be payable by exempt persons acting for their own account, including investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1,2º of the Code of various duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taksen*).

(d) European Directive on taxation of savings income in the form of interest payments

On 3 June 2003, the Council of the European Union adopted the Council Directive 2003/48/EC regarding the taxation of savings income (hereinafter, the ''**Savings Directive**''), which has been implemented in Belgium by the law of 17 May 2004. The Savings Directive entered into force on 1 July 2005.

Under the Savings Directive, Member States are since 1 July 2005 required to provide to the tax authorities of other Member States or the tax authorities of the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands (hereinafter, the ''**Dependent and Associated Territories**'', each a ''**Dependent and Associated Territory**'') details of payments of interest and other similar income paid by a paying agent (within the meaning of the Savings Directive) to (or under certain circumstances, to the benefit of) an individual resident in another Member State or resident in a Dependant and Associated Territory, except that Belgium, Austria and Luxembourg are instead required (unless they elect otherwise) to impose a source tax (*woonstaatheffing / prélèvement pour l'Etat de residence*, hereinafter ''**Source Tax**'') for a transitional period, unless the beneficiary of the interest payments elects for the exchange of information. The ending of such transitional period depends on the conclusion of certain other agreements relating to exchange of information with certain other countries. However, by two Royal Decrees dates 27 September 2009 and published in the Belgian Official Gazette on 1 October 2009, the Belgian State elected to abandon the transitional withholding system and provide information in accordance with the EU Savings Directive as from 1 January 2010. (before the withholding rate reaches 35 per cent.).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive which included the Commission's advice on the need for the changes to the EU Saving Directive. On 13 November 2008 the European Commission published a

more detailed proposal for amendments to the EU Savings Directing which included a number of suggested changes. The European Parliament expressed its opinion on the proposal on 24 April 2009 and the Council adopted unanimous conclusions on 9 June 2009 relating to the proposal. If any of those proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above.

The rate of the Source Tax was 15 per cent. until 30 June 2008 and has increased to 20 per cent. on 1 July 2008. The rate of the Source Tax will increase to 35 per cent. on 1 July 2011.

Bondholders who are individuals or certain other persons and receive interest on the Bonds should note that additional amounts which may become due as described in Condition 7 "Taxation", will not be due in respect of the Source Tax.

Individuals not resident in Belgium

A Belgian paying agent will withhold a tax at source at the current rate of 20 per cent. on the interest payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the Associated and Dependant Territories.

The Source Tax is levied in addition to the Belgian withholding tax which has been withheld.

The Source Tax is levied pro rata to the period of holding of the Bonds by the beneficial owner of the interest payments.

No Source Tax will be applied if the investor provides the Belgian paying agent with a certificate drawn up in his name by the competent authority of his state of residence for tax purposes. The certificate must at least indicate: (i) name, address and tax or other identification number or, in the absence of the latter, the date and place of birth of the beneficial owner; (ii) name and address of the paying agent; and (iii) the account number of the beneficial owner, or where there is none, the identification of the security.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of Euro 2.5.

2. LUXEMBOURG TAXATION

The following discussion is a summary of the Luxembourg tax consequences to potential purchasers or holders of Bonds, based on current law and practice in Luxembourg. This discussion is for general information purposes only and does not purport to be a comprehensive description of all possible tax consequences that may be relevant. Potential purchasers of Bonds should consult their own professional advisers as to the consequences of making an investment in, holding or disposing of the Bonds and the receipt of any amount in connection with the Bonds.

Luxembourg Withholding Tax

Under Luxembourg tax laws currently in effect and with the possible exception of interest paid to individuals and to certain residual entities (as described below), there is no Luxembourg withholding tax on payments of interest, including accrued but unpaid interest. There is also no Luxembourg withholding tax, with the possible exception of payments made to individuals and to certain residual entities (as described below), upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Bonds.

Individuals not resident in Luxembourg

Under the Luxembourg laws dated 21 June 2005 implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("EU"), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for an exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain so-called "residual entities" within the meaning of Article 4.2 of the Savings Directive (i.e. an entity without legal personality (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC) established in a Member State or in certain EU dependent or associated territories.

The withholding tax rate is 20 per cent. as from 1 July 2008 increasing to 35 per cent. as from 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Individuals resident in Luxembourg

A 10 per cent. withholding tax is levied on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to or for the benefit of Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EC or for the exchange of information regime).

Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

PART XIV: SUBSCRIPTION AND SALE

Fortis Bank NV/SA (having its registered office at Montagne du Parc, 3 B-1000 Brussels) and acting under commercial name of BNP Paribas Fortis, ING Belgium SA/NV (having its registered office at Avenue Marnixlaan, 24 B-1000 Brussels) and KBC Bank NV (having its registered office at Havenlaan, 2 B-1080 Brussels) (the "**Managers**") have, pursuant to a Subscription Agreement dated 23 October 2009 (the "**Subscription Agreement**"), agreed with the Issuer, subject to the satisfaction of certain conditions, to place the Bonds with third parties on a best effort basis at the issue price and at the conditions specified below. The Subscription Agreement entitles the Managers to terminate their obligations in certain circumstances prior to payment being made to the Issuer. A5 - 5.1 A5 - 5.4.1 A5 - 5.4.3 A5 - 5.4.4

1. OFFER PERIOD

The Bonds will be offered to the public in the Kingdom of Belgium and in the Grand Duchy of Luxembourg. The Bonds will be issued on 27 November 2009 (the "**Issue Date**"). A5 – 5.2.1

The Public Offer will start on 26 October 2009 at 9.00 a.m. (Brussels time) and end on 25 November 2009 at 4.00 p.m. (Brussels time) (the "**Offer Period**"), or such earlier date as the Managers and the Issuer may agree. In this case, such closing date will be announced by or on behalf of the Issuer on its website www.ucb.com, or on the websites of the Managers (www.fortisbanking.be, www.ing.be, www.kbc.be). A5 - 5.1.3 A5 - 5.1.7

Except in case of oversubscription as set out under Part XIV, 7, a prospective subscriber will receive 100 per cent. of the amount of the Bonds allocated to it during the Offer Period. A5 - 5.1.2

Prospective subscribers will be notified of their allocations of Bonds by the applicable financial intermediary in accordance with the arrangements in place between such financial intermediary and the prospective subscriber. A5 - 5.2.2

No dealings in the Bonds on a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC may take place prior to the Issue Date.

After having read the entire Prospectus and, on the basis of this, among other things, having decided to subscribe to the Bonds, the investors can subscribe to the Bonds via the branches of the following distributors appointed by the Issuer, using either the subscription form provided by the distributor (if any) or the subscription form attached to this Prospectus (as indicated by the relevant distributor): BNP Paribas Fortis (including the branches acting under the commercial name of Fintro), ING, KBC (including CBC S.A.), KBL European Private Bankers S.A., Centea NV and KBC Securities NV, as well as any relevant subsidiary in the Grand Duchy of Luxembourg of each of the above mentioned banks (as decided by each bank and its subsidiary). A5 - 5.4.1

The applications can also be submitted via agents or any other financial intermediaries in the Kingdom of Belgium and in the Grand Duchy of Luxembourg. In this case, the investors must obtain information concerning the commission fees that the financial intermediaries can charge. These commission fees are charged to the investors.

2. CONDITIONS TO WHICH THE PUBLIC OFFER IS SUBJECT

The Public Offer is subject to a number of conditions set out in the Subscription Agreement, which are customary for this type of transaction and which include, among others: A5 - 5.1.1

(i) the correctness of the representations and warranties made by the Issuer in the Subscription Agreement;

(ii) the Subscription Agreement, the Clearing Agreement and the Agency Agreement have been executed by all parties thereto prior to the Issue Date;

(iii) the admission to trading of the Bonds on the regulated market of the Luxembourg Stock Exchange has been granted on or prior to the Issue Date;

(iv) there having been, as at the Issue Date, no material adverse change (as defined in the Subscription Agreement) affecting the Issuer and no event making any of the representations and warranties contained in the Subscription Agreement untrue or incorrect in any material respect on the Issue Date as if they had been given and made on such date and the Issuer having performed all the obligations to be performed by it under the Subscription Agreement on or before the Issue Date; A4 - 8.1

(v) at the latest on the Issue Date, the Managers having received customary documents and confirmations as to certain legal and financial matters pertaining to the Issuer.

These conditions can be waived (in whole or in part) by the Managers.

3. ISSUE PRICE

The issue price will be of 101.875 % (the "**Issue Price**"). A5 - 5.3.1 A5 – 4.4

The investors who are not Qualified Investors (as defined in the Prospectus Law[5] and the Luxembourg Act dated 10 July 2005[6]) will pay the Issue Price.

The Qualified Investors will pay the Issue Price less a discount or plus a margin, such resulting price being subject to change during the Offer Period based among others on (i) the evolution of the credit quality of the Issuer (credit spread), (ii) the evolution of interest rates, (iii) the success (or lack of success) of the placement of the Bonds, and (iv) the amount of Bonds purchased by an investor, each as determined by each Joint Lead Manager in its sole discretion.

The yield of the Bonds is 5.31 % on an annual basis. The yield is calculated as at 23 October 2009 on the basis of the Issue Price. It is not an indication of future yield. A5 - 4.9

The minimum amount of application for the Bonds is EUR 1,000. There is no maximum amount of application. A5 – 5.1.5

4. PAYMENT DATE AND DETAILS A5 – 5.1.6

The payment date is 27 November 2009. The payment for the Bonds can only occur by means of debiting from a current account.

[5] Loi relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés du 16 juin 2006/ Wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt van 16 juni 2006.

[6] Luxembourg Act dated 10 July 2005 on prospectuses for securities.

On the date that the subscriptions are settled, the X/N settlement system of the NBB will credit the custody account of the Domiciliary Agent according to the details specified in the rules of the X/N settlement system.

Subsequently, the Domiciliary Agent, at the latest on the settlement date, credits the amounts of the subscribed securities to the account of the participants for onward distribution to the subscribers, in accordance with the usual operating rules of the X/N settlement system.

5. COSTS AND FEES

A5 – 3.2
A5 – 5.4.3
A5 – 5.3.1

The net proceeds (before deduction of expenses) will be an amount equal to the aggregate nominal amount of the Bonds issued (the "**Aggregate Nominal Amount**") multiplied by the Issue Price expressed in percentage; minus the total selling and distribution commission of 1.875 per cent. of the Aggregate Nominal Amount.

The Issue Price shall include the selling and distribution commission described below, such commission being borne and paid by the subscribers.

Expenses specifically charged to the subscribers:

(i) the subscribers who are not Qualified Investors (as defined in the Prospectus Law) will bear a selling and distribution commission of 1.875 per cent., included in the Issue Price; and

(ii) the subscribers who are Qualified Investors will normally bear a distribution commission of 1 per cent., subject to the discount or margin foreseen under section 3 of the heading Subscription and Sales. Such commission will be included in the issue price applied to them.

KBC has agreed to retrocede to the Issuer a portion, as agreed on a mutual basis in a separate agreement, of the above selling and distribution commission paid to it in connection with the Public Offer, up to an amount that will not exceed EUR 250,000.

6. FINANCIAL SERVICES

The financial services will be provided free of charge by BNP Paribas Fortis, KBC and ING.

The costs for the custody fee for the Bonds in custody account are charged to the subscribers. Investors must inform themselves about the costs their financial institutions might charge them.

Investors must inform themselves about the costs the other financial institutions might charge them.

7. OVER-SUBSCRIPTION IN THE BONDS

A5 – 5.1.4
A5 – 5.2.2

In case of early termination of the Offer Period due to oversubscription or to changes in market conditions as agreed between the Managers and the Issuer, allotment of the Bonds will be made with the following objective allotment criteria:

(i) the subscriptions from investors who are not Qualified Investors received via the Managers will be first handled and allocated according to the principle "first comes, first served" (as determined together between the Managers);

(ii) then the subscriptions received via other financial intermediaries than the Managers or from Qualified Investors will be served in the chronological order of their receipt by each Joint Lead Manager (as determined together between the Managers); and

(iii) if required, the last subscription (or the last subscriptions if received exactly at the same time) mentioned under (i) and (ii), if any, will be reduced in order to correspond with the Aggregate Nominal Amount, as determined by the Issuer and the Managers in their sole discretion (it being understood that such Aggregate Nominal Amount will depend on the wishes of the Issuer and on the demand from prospective investors, but with a minimum of EUR 150,000,000 to the extent there is sufficient demand from the investors).

Any payment made by an applicant in connection with the subscription of Bonds which are not allotted will be refunded within seven Brussels Business Days (where Brussels Business Day means a day on which banks are open for general business in Brussels) after the date of payment in accordance with the arrangements in place between such relevant applicant and the relevant financial intermediary, and the relevant applicant shall not be entitled to any interest in respect of such payments.

8. RESULTS OF THE OFFER

The results of the offer of the Bonds (including its net proceeds) shall be published as soon as possible after the end of the Offer Period and on or before the Issue Date on the website of the Issuer (www.ucb.com), on the website of the Luxembourg Stock Exchange (www.bourse.lu), as well as on the websites of the Managers (www.fortisbanking.be, www.ing.be, and www.kbc.be) and will be communicated to the CSSF. A5 - 5.1.2 A5 - 5.1.7

The same method of publication will be used to inform the investors in case of early termination of the Offer Period.

9. OFFER TIMETABLE

The main steps of the timetable of the Offer are as follows:

23 October 2009: Publication of the Prospectus on the website of the Issuer

26 October 2009: Opening date of the Offer Period

25 November 2009: Closing date of the Offer Period

Between 26 and 27 November 2009: Expected publication date of the results of the offer of the Bonds (including its net proceeds)

27 November 2009: Issue Date and admission to trading of the Bonds on the regulated market of the Luxembourg Stock Exchange. A5 - 4.12

10. COSTS

Each subscriber shall make his own enquiries with his financial intermediaries on the related or incidental costs (transfer fees, custody charges, etc.), which the latter may charge him with.

11. TRANSFER OF THE BONDS

Subject to compliance with any applicable selling restriction, the Bonds are freely transferable. A5 - 4.13

12. DISTRIBUTION OF THE PROSPECTUS – GENERAL SELLING RESTRICTION

In certain jurisdictions the distribution of the Prospectus, the offer of the Bonds and the participation in such offer may be subject to specific regulations or legal and regulatory restrictions. The Bonds are neither offered directly or indirectly to any persons subject to such restrictions nor can the Bonds be accepted by persons residing in a country subject to such restrictions. Consequently, any person in possession of the Prospectus must make sufficient enquiries in respect of any applicable local restrictions and act in accordance with them. The Prospectus constitutes neither an offer, nor an invitation to purchase Bonds in those jurisdictions where such offer or invitation would be illegal. The Issuer and the Managers expressly decline all responsibility in respect of any person violating local regulations applicable to them. A5 - 4.13

13. UNITED STATES

The Bonds have not been and will not be registered under the Securities Act or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from registration requirements. Accordingly, the Bonds are being offered and sold in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**"). Terms used in this paragraph have the meaning given to them in Regulation S.

The Managers have agreed that they will not offer or sell the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date within the United States or to, or for the account or benefit of, U.S. persons, and they will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration (if any) to which they sell Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them in Regulation S.

The Managers have agreed that they have not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, the Bonds within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of the Bonds, the Managers have not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Managers or the prospective purchaser is within the United States or its possessions or otherwise involve a U.S. office of the Managers in the offer or sale of the Bonds. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including U.S. Treas. Reg. §1.163-5(c)(2)(i)(C).

14. PUBLIC OFFER SELLING RESTRICTION IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in the Kingdom of Belgium and the Grand Duchy of Luxembourg from the time the Prospectus has been approved by the competent authority in the Grand Duchy of Luxembourg and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in the Grand Duchy of Luxembourg to, and including, the Issue Date, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Bonds to the public in that Relevant Member State:

(i) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(iii) to fewer than 100 natural or legal persons (other than Qualified Investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Managers; or

(iv) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Bonds to the public**"** in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive"** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

15. UNITED KINGDOM

Each Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

PART XV: GENERAL INFORMATION

1. Application has been made for the Bonds to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. BGL BNP Paribas S.A. has been appointed as listing agent for that purpose. A5 - 6.1

2. The issue of the Bonds was authorised by an unanimous written resolution passed by the Board of Directors of the Issuer on 15 October 2009. A5 – 4.11

3. Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2009 and no material adverse change in the prospects of the Issuer since 31 December 2008. A4 - 8.1 A4 - 13.7

4. Except as disclosed in Section 15 "Legal Proceedings" of Part VI on page 87 of this Prospectus, neither the Issuer nor any of its subsidiaries is, nor has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group. A4 - 13.6

5. The Bonds have been accepted for clearance through the clearing system of the National Bank of Belgium with a Common Code of 046275179. The International Securities Identification Number (ISIN) for the Bonds is BE6000431112. A5 - 4.1

   The address of the National Bank of Belgium is 14 Boulevard de Berlaimont, 1000 Brussels, Belgium.

6. So far as the Issuer is aware, no person involved in the Public Offer has any interest, including conflicting ones, that is material to the Public Offer. A5 - 3.1

7. Material contracts: save as disclosed herein, no member of the UCB Group has entered into any contracts which could result in a company of the UCB Group being under an obligation or entitlement that would be material to UCB's ability to meet its obligations towards holders of the Bonds A4 - 15

8. Where information in this Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain, to its reasonable knowledge, from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect. The source of third party information is identified where used. A4 - 16.2 A5 - 7.4

9. During the Offer Period and during the life of the Bonds, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer: A4 - 17

   (a) the Articles of Association (*statuts/statuten*) of the Issuer, in French and in Dutch;

   (b) the published annual report and audited accounts of the Issuer for the year ended on 31 December 2008 and for the year ended on 31 December 2007 and Half-Year Report 2009;

   (c) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and

   (d) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

10. The statutory auditors (the Collège des Commissaires) being Emmanuèle Attout and Daniel Goossens, member of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren has audited, and rendered unqualified audit reports on, the accounts of the Issuer for the year ended 31 December 2008 and 31 December 2007. A4 - 2.1

Subscription form

Copy for the financial intermediary (financial agent)

UCB SA
60 Allée de la Recherche
B- 1070 Brussels

(VAT BE 0.403.053.608, RPM-RLP Brussels)

Public offer in Belgium and Luxembourg of 5.75% fixed rate bonds, due 27 November 2014, with a nominal value of €1,000, as defined in the Prospectus (the "Bonds")

ISIN CODE BE6000431112

SUBSCRIPTION FORM

(to be drawn up in duplicate, in accordance with the law)

I, the undersigned (name, first name) ..... ,

residing at ……..., street ..... no. .....

have had the opportunity to become acquainted with the Prospectus of 23 October 2009 and declare that I subscribe to:

..... Bonds with a nominal value of 1,000 euros each, at the subscription price of 101.875 % ,

or €1,018.75 for each Bond,

or €..... in total.

For my subscription and as countervalue for the securities that are subscribed to, I request the bank, ... , to debit my account no. ..... with the total subscription price.

I require that the Bond(s) be delivered in the form of an entry on the custody account no. .....

The paid amounts for the Bonds subscribed to and not allocated, will be refunded by Fortis Bank NV/SA, ING Belgium NV/SA or KBC Bank NV, as the case may be, within seven (7) business days, without the subscribers being entitled to demand interest on their payments.

Drawn up in duplicate at ..... on ...../..... /.....

(subscriber's signature)

Subscription form

Copy for the subscriber

UCB SA
60 Allée de la Recherche
B- 1070 Brussels

(VAT BE 0.403.053.608, RPM-RLP Brussels)

Public offer in Belgium and Luxembourg of 5.75% fixed rate bonds, due 27 November 2014, with a nominal value of €1,000, as defined in the Prospectus (the "Bonds")

ISIN CODE BE BE6000431112

SUBSCRIPTION FORM

(to be drawn up in duplicate, in accordance with the law)

I, the undersigned (name, first name) .....

, residing at ……....., street ..... no. .....

have had the opportunity to become acquainted with the Prospectus of 23 October 2009 and declare that I subscribe to:

..... Bonds with a nominal value of 1,000 euros each, at the subscription price of 101.875 % ,

or €1,018.75 for each Bond,

or €..... in total.

For my subscription and as countervalue for the securities that are subscribed to, I request the bank, ... , to debit my account no. ..... with the total subscription price.

I require that the Bond(s) be delivered in the form of an entry on the custody account no. .....

The paid amounts for the Bonds subscribed to and not allocated, will be refunded by Fortis Bank NV/SA, ING Belgium NV/SA or KBC Bank NV, as the case may be, within seven (7) business days, without the subscribers being entitled to demand interest on their payments.

Drawn up in duplicate at ..... on ...../..... /.....

(subscriber's signature)

Form of Change of Control Put Exercise Notice

Addressee	Copy to the Agent:
UCB SA (the « Issuer ») 60 Allée de la Recherche B-1070 Brussels **Attn : < >**	**BNP Paribas Fortis** Montagne du Parc 3 B-1000 Brussels **Attn : < >**

UCB SA
60 Allée de la Recherche
B-1070 Brussels

(VAT BE 0.403.053.608, RPM-RLP Brussels)

Public offer in Belgium and Luxembourg of 5.75 fixed rate bonds, due 27 November 2014, with a nominal value of €1,000, as defined in the Listing and offering Prospectus dated 23 October 2009 (the "Bonds")

ISIN CODE BE6000431112

By sending this duly completed Change of Control Put Exercise Notice to the Issuer with a copy to the Agent for the above mentioned Bonds the undersigned Bondholder surrendered with this Change of Control Put Exercise Notice and referred to below irrevocably exercises its option to have the Bonds early redeemed in accordance with Condition 5 (c) on [*redemption date*] for an aggregate nominal amount of € ……..[1] for which the undersigned Bondholder hereby confirms that (i) he/she holds this amount of Bonds and (ii) he/she hereby commits to not sale or transfer this amount of Bonds till the redemption date.

Contact details of the Bondholder requesting the early redemption: [1]

Name and first name: ……..

Address: ……..……..

Payment Instructions: [1]

Please make payment in respect of the above-mentioned Bonds by transfer to the following bank account:

Name of the bank: ……..

Branch Address: …….……..

Account Number: ……..

I hereby confirm that the payment will be done against debit of my securities account N° ……..... with the bank …… for the above mentioned nominal amount of Bonds in dematerialized form.

Signature of the holder: …….. Signature Date:……

NOTE:

1. Complete as appropriate.

N.B. The Agent will not in any circumstances be liable to any Bondholder or any other person for any loss or damage arising from any act, default or omission of such Agent in relation to the said Bonds or any of them unless such loss or damage was caused by the fraud or negligence of such Agent.

This Change of Control Put Exercise Notice is not valid unless (i) all of the paragraphs requiring completion are duly completed and (ii) it is duly signed and sent. Once validly given this Change of Control Put Exercise Notice is irrevocable.

Registered/Head Office of the Issuer

UCB SA
60 Allée de la Recherche
B- 1070 Brussels

Domiciliary and Paying Agent A5 - 5.4.2

Fortis Bank NV/SA acting under commercial name of BNP Paribas Fortis
Montagne du Parc 3
B-1000 Brussels

Listing Agent

BGL BNP Paribas S.A.
50 avenue JF Kennedy
L-2951 Luxembourg

Managers

Fortis Bank NV/SA acting under commercial name of BNP Paribas Fortis
Montagne du Parc, 3
B-1000 Brussels

ING Belgium SA/NV
Avenue Marnixlaan, 24
B-1000 Brussels

KBC Bank NV
Havenlaan, 2
B-1080 Brussels

Legal Advisers A5 – 7.1

to the Issuer

Linklaters LLP
Rue Brederode, 13
B-1000 Brussels

to the Managers

Allen & Overy LLP
Uitbreidingstraat 80
B-2600 Antwerp

Auditors of the Issuer A4 - 2.1

PriceWaterhouse Coopers Bedrijfsrevisoren BCVBA

Woluwe Garden
Woluwedal 18
B-1932 Sint-Stevens-Woluwe